

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

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**HOUSE BILL****No. 30**Session of  
2003

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INTRODUCED BY ADOLPH, PRESTON, BUNT, DeWEESE, McILHATTAN, LaGROTTA, FICHTER, FRANKEL, DiGIROLAMO, CRAHALLA, HARHAI, KENNEY, LAUGHLIN, LEH, RAYMOND, READSHAW, REICHLEY, RUBLEY, SAINATO, SEMMEL, TRUE, WOJNAROSKI, WRIGHT, YEWIC, ZUG, ALLEN, ARMSTRONG, BAKER, BARD, BARRAR, BASTIAN, BEBKO-JONES, BELARDI, BELFANTI, BENNINGHOFF, BIANCUCCI, BISHOP, BOYES, BROWNE, BUTKOVITZ, CALTAGIRONE, CAPPELLI, CASORIO, CAUSER, CAWLEY, CIVERA, CLYMER, COHEN, COLEMAN, CORNELL, CORRIGAN, COSTA, COY, CREIGHTON, CRUZ, DAILEY, DALEY, DALLY, DeLUCA, DERMODY, DIVEN, DONATUCCI, EACHUS, EGOLF, FABRIZIO, FLEAGLE, FLICK, FORCIER, GABIG, GANNON, GEIST, GERGELY, GILLESPIE, GODSHALL, GOODMAN, GRUITZA, HALUSKA, HANNA, HARHART, HARPER, HARRIS, HASAY, HENNESSEY, HERMAN, HERSHEY, HESS, HICKERNELL, JAMES, KELLER, KIRKLAND, KOTIK, LEACH, LEDERER, LESCOVITZ, LEWIS, LYNCH, MAITLAND, MAJOR, MANN, MARKOSEK, MARSICO, McCALL, McGEEHAN, McGILL, McILHINNEY, McNAUGHTON, METCALFE, MICOZZIE, R. MILLER, S. MILLER, NAILOR, NICKOL, OLIVER, PALLONE, PETRI, PETRONE, PHILLIPS, PISTELLA, RIEGER, ROBERTS, ROEBUCK, RUFFING, SANTONI, SAYLOR, SCAVELLO, SCHRODER, B. SMITH, SOLOBAY, STABACK, STAIRS, STEIL, STERN, R. STEVENSON, T. STEVENSON, TANGRETTI, E. Z. TAYLOR, J. TAYLOR, TIGUE, VANCE, WALKO, WANSACZ, WASHINGTON, WATERS, WATSON, WEBER, WILLIAMS, YOUNGBLOOD, YUDICHAK, PICKETT, BIRMELIN, TRAVAGLIO, O'NEILL, ROHRER, DENLINGER, WILT, MACKERETH AND REED, APRIL 30, 2003

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AS AMENDED ON THIRD CONSIDERATION, HOUSE OF REPRESENTATIVES,  
NOVEMBER 25, 2003

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## AN ACT

1 Amending Title 66 (Public Utilities) of the Pennsylvania  
2 Consolidated Statutes, further providing for residential  
3 telephone service rates based on duration or distance of call  
4 and for local exchange service increases and limitations;  
5 adding and repealing provisions relating to alternative form  
6 of regulation of telecommunications services; establishing  
7 the Advanced Services Education and Aggregation Fund;  
8 providing for Voice Over Internet Protocol; and making a  
9 repeal.

10 The General Assembly of the Commonwealth of Pennsylvania

1 hereby enacts as follows:

2 Section 1. ~~Sections 1325, 3001, 3002, 3003, 3004, 3005,~~ <—  
3 ~~3006, 3007, 3008 and 3009 of Title 66 of the Pennsylvania~~  
4 ~~Consolidated Statutes are repealed.~~

5 Section 2. ~~Title 66 is amended by adding sections to read:~~  
6 ~~§ 3010. (Reserved).~~

7 ~~§ 3011. Declaration of policy.~~

8 ~~The General Assembly finds and declares that it is the policy~~  
9 ~~of this Commonwealth to:~~

10 ~~(1) Strike a balance between mandated deployment and~~  
11 ~~market driven deployment of broadband facilities and advanced~~  
12 ~~services throughout this Commonwealth and to continue~~  
13 ~~alternative regulation of local exchange telecommunications~~  
14 ~~companies.~~

15 ~~(2) Maintain universal telecommunications service at~~  
16 ~~affordable rates while encouraging the accelerated provision~~  
17 ~~of advanced services and deployment of a universally~~  
18 ~~available, state of the art, interactive broadband~~  
19 ~~telecommunications network in rural, suburban and urban~~  
20 ~~areas, including deployment of broadband facilities in or~~  
21 ~~adjacent to public rights of way abutting public schools,~~  
22 ~~including the administrative offices supporting public~~  
23 ~~schools, industrial parks and health care facilities.~~

24 ~~(3) Ensure that customers pay only reasonable charges~~  
25 ~~for protected services, which shall be available on a~~  
26 ~~nondiscriminatory basis.~~

27 ~~(4) Ensure that rates for protected services do not~~  
28 ~~subsidize the competitive ventures of telecommunications~~  
29 ~~carriers.~~

30 ~~(5) Provide diversity in the supply of existing and~~

1 ~~future telecommunications services and products in~~  
2 ~~telecommunications markets throughout this Commonwealth by~~  
3 ~~ensuring that rates, terms and conditions for protected~~  
4 ~~services are reasonable and do not impede the development of~~  
5 ~~competition.~~

6 ~~(6) Ensure the efficient delivery of technological~~  
7 ~~advances and new services throughout this Commonwealth in~~  
8 ~~order to improve the quality of life for all Commonwealth~~  
9 ~~residents.~~

10 ~~(7) Encourage the provision of telecommunications~~  
11 ~~products and services that enhance the quality of life of~~  
12 ~~people with disabilities.~~

13 ~~(8) Promote and encourage the provision of competitive~~  
14 ~~services by a variety of service providers on equal terms~~  
15 ~~throughout all geographic areas of this Commonwealth without~~  
16 ~~jeopardizing the provision of universal telecommunications~~  
17 ~~service at affordable rates.~~

18 ~~(9) Encourage the competitive supply of any service in~~  
19 ~~any region where there is market demand.~~

20 ~~(10) Encourage joint ventures between local exchange~~  
21 ~~telecommunications companies and other entities where such~~  
22 ~~joint ventures accelerate, improve or otherwise assist a~~  
23 ~~local exchange telecommunications company in carrying out its~~  
24 ~~network modernization implementation plan.~~

25 ~~(11) Establish a bona fide retail request program to~~  
26 ~~aggregate and make advanced services available in areas where~~  
27 ~~sufficient market demand exists and to supplement existing~~  
28 ~~network modernization plans.~~

29 ~~(12) Promote and encourage the provision of advanced~~  
30 ~~services and broadband deployment in the service territories~~

~~of local exchange telecommunications companies without  
jeopardizing the provision of universal service.~~

~~(13) Recognize that the regulatory obligations imposed  
upon the incumbent local exchange telecommunications  
companies should be reduced to levels more consistent with  
those imposed upon competing alternative service providers.~~

~~§ 3012. Definitions.~~

~~The following words and phrases when used in this chapter  
shall have the meanings given to them in this section unless the  
context clearly indicates otherwise:~~

~~"Advanced service." A retail service that, regardless of  
transmission medium or technology, is capable of supporting a  
minimum speed of 200 kilobits per second (kbps) in at least one  
direction at the network demarcation point of the customer's  
premises.~~

~~"Aggregator telephone." A telephone which is made available  
to the transient public, customers or patrons, including, but  
not limited to, coin telephones, credit card telephones and  
telephones located in hotels, motels, hospitals and  
universities.~~

~~"Alternative form of regulation." A form of regulation of  
telecommunications services other than the traditional rate  
base/rate of return regulation, including a streamlined form of  
regulation, as approved by the commission.~~

~~"Alternative service provider." An entity that provides  
telecommunications services in competition with a local exchange  
telecommunications company.~~

~~"Bona fide retail request." A written request for service  
which meets the requirements of section 3014(c)(1), (relating to  
network modernization plans), is received by a local exchange~~

1 ~~telecommunications company, and through which end users commit~~  
2 ~~to subscribing to an advanced service.~~

3 ~~"Bona fide retail request program."—A program established by~~  
4 ~~a local exchange telecommunications company pursuant to section~~  
5 ~~3014(c) (relating to network modernization plans).~~

6 ~~"Broadband."—A communication channel using any technology~~  
7 ~~and having a bandwidth equal to or greater than 1.544 megabits~~  
8 ~~per second in at least one direction.~~

9 ~~"Broadband availability."—Access to broadband service by a~~  
10 ~~retail telephone customer of a local exchange telecommunications~~  
11 ~~company.~~

12 ~~"Central office."—A building containing one or more local~~  
13 ~~exchange telecommunications company switches used to provide~~  
14 ~~local exchange telecommunications service.~~

15 ~~"Community."—Those customers of a local exchange~~  
16 ~~telecommunications company served by an existing or planned~~  
17 ~~remote terminal or, where no remote terminal exists or is~~  
18 ~~planned, a central office switch.~~

19 ~~"Competitive service."—A service or business activity~~  
20 ~~declared to be competitive by the commission on or prior to~~  
21 ~~December 31, 2003, and a service or business activity declared~~  
22 ~~to be competitive pursuant to section 3016 (relating to~~  
23 ~~competitive services).~~

24 ~~"Department."—The Department of Community and Economic~~  
25 ~~Development of the Commonwealth.~~

26 ~~"Eligible telecommunications carrier."—A carrier designated~~  
27 ~~by the Pennsylvania Public Utility Commission pursuant to 47 CFR~~  
28 ~~54.201 (relating to definition of eligible telecommunications~~  
29 ~~carriers, generally) or successor regulation, as eligible to~~  
30 ~~receive support from the Federal Universal Service Fund.~~

1 ~~"Eligible telecommunications customer."—A customer of an~~  
2 ~~eligible telecommunications carrier who qualifies for Lifeline~~  
3 ~~service discounts pursuant to the requirements of 47 CFR 54.409~~  
4 ~~(relating to consumer qualification for Lifeline) or successor~~  
5 ~~regulation.~~

6 ~~"Fund."—The Advanced Services Education and Aggregation Fund~~  
7 ~~established under section 3014 (relating to network~~  
8 ~~modernization plans).~~

9 ~~"Gross Domestic Product Price Index" or "GDP PI."—The Gross~~  
10 ~~Domestic Product Fixed Weight Price Index as calculated by the~~  
11 ~~United States Department of Commerce.~~

12 ~~"Health care facility."—The term shall have the same meaning~~  
13 ~~given to it in the act of July 19, 1979 (P.L.130, No.48), known~~  
14 ~~as the Health Care Facilities Act.~~

15 ~~"Inflation offset."—The part of the price change formula in~~  
16 ~~the price stability mechanism that reflects an offset to the~~  
17 ~~Gross Domestic Product Price Index.~~

18 ~~"Interexchange services."—The transmission of interLATA or~~  
19 ~~intraLATA toll messages or data outside the local calling area.~~

20 ~~"Interexchange telecommunications carrier."—A carrier other~~  
21 ~~than a local exchange telecommunications company authorized by~~  
22 ~~the commission to provide interexchange services.~~

23 ~~"Lifeline service."—A discounted rate local service~~  
24 ~~offering, as defined in 47 CFR 54.401 (relating to Lifeline~~  
25 ~~defined) or successor regulation, but excluding any offering~~  
26 ~~funded in part by Federal Universal Service Fund Tier Three~~  
27 ~~funding under 47 CFR 54.403 (relating to Lifeline support~~  
28 ~~amount) or successor regulation.~~

29 ~~"Local exchange telecommunications company."—An incumbent~~  
30 ~~carrier authorized by the commission to provide local exchange~~

1 ~~telecommunications services. The term includes a rural~~  
2 ~~telecommunications carrier and a nonrural telecommunications~~  
3 ~~carrier.~~

4 ~~"Local exchange telecommunications service."—The~~  
5 ~~transmission of messages or communications that originate and~~  
6 ~~terminate within a prescribed local calling area.~~

7 ~~"Noncompetitive service."—A regulated service that is not~~  
8 ~~declared competitive and, as to interexchange telecommunications~~  
9 ~~carriers, those services included in section 3018(a) (relating~~  
10 ~~to interexchange telecommunications carriers).~~

11 ~~"Nonrural telecommunications carrier."—A local exchange~~  
12 ~~telecommunications company that is not a rural telephone company~~  
13 ~~as defined in section 3 of the Telecommunications Act of 1996~~  
14 ~~(Public Law 104-104, 110 Stat. 56).~~

15 ~~"Optional calling plan."—A discounted toll plan offered by~~  
16 ~~either a local exchange telecommunications company or an~~  
17 ~~interexchange telecommunications carrier.~~

18 ~~"Price stability mechanism."—A formula which may be included~~  
19 ~~in a commission approved alternative form of regulation plan~~  
20 ~~that permits rates for noncompetitive services to be adjusted~~  
21 ~~upward or downward.~~

22 ~~"Protected service."—The following telecommunications~~  
23 ~~services provided by a local exchange telecommunications~~  
24 ~~company, unless the commission determines that such service is~~  
25 ~~competitive:~~

26 ~~(1) Service provided to residential consumers or small~~  
27 ~~business consumers subscribing to four or fewer access lines~~  
28 ~~only to the extent that the service is necessary for~~  
29 ~~completing any local exchange call for which dial tone is~~  
30 ~~necessary.~~

1           ~~(2) Touch tone service.~~  
2           ~~(3) Switched access service.~~  
3           ~~(4) Special access service.~~  
4           ~~(5) Ordering, installation, restoration and~~  
5           ~~disconnection of the services specified in paragraphs (1)~~  
6           ~~through (4).~~

7           ~~"Remote terminal." A structure located outside of a central~~  
8           ~~office which houses electronic equipment and which provides~~  
9           ~~transport for telecommunications services to and from a central~~  
10           ~~office switch.~~

11           ~~"Rural telecommunications carrier." A local exchange~~  
12           ~~telecommunications company that is a rural telephone company as~~  
13           ~~defined in section 3 of the Telecommunications Act of 1996~~  
14           ~~(Public Law 104 104, 110 Stat. 56).~~

15           ~~"Small business." A business consumer that subscribes to~~  
16           ~~four or fewer access lines.~~

17           ~~"Special access service." Service provided over dedicated,~~  
18           ~~nonswitched facilities by local exchange telecommunications~~  
19           ~~companies to interexchange carriers or other large volume users~~  
20           ~~which provide connection between an interexchange carrier or~~  
21           ~~private network and a customer's premises.~~

22           ~~"Switched access service." A service which provides for the~~  
23           ~~use of common terminating, switching and trunking facilities of~~  
24           ~~a local exchange telecommunications company's public switched~~  
25           ~~network. The term includes, but is not limited to, the rates for~~  
26           ~~local switching, common and dedicated transport and the carrier~~  
27           ~~charge.~~

28           ~~"Telecommunications Act of 1996." The Telecommunications Act~~  
29           ~~of 1996 (Public Law 104 104, 110 Stat. 56).~~

30           ~~"Telecommunications carrier." An entity that provides~~



1 ~~telecommunications services subject to the jurisdiction of the~~  
2 ~~commission.~~

3 ~~"Telecommunications service." The offering of the~~  
4 ~~transmission of messages or communications for a fee to the~~  
5 ~~public.~~

6 ~~"Voice Over Internet Protocol" or "VOIP." The provision of~~  
7 ~~voice communications and related features and functions by means~~  
8 ~~of encoding voice and related signals into packetized form and~~  
9 ~~transmission of those packets using Internet Protocol or any~~  
10 ~~successor protocol for some or all of the transmission.~~

11 ~~§ 3013. Continuation of commission approved alternative~~  
12 ~~regulation and network modernization plans.~~

13 ~~(a) General rule. An alternative form of regulation plan~~  
14 ~~and network modernization plan approved by the commission for a~~  
15 ~~local exchange telecommunications company as of December 31,~~  
16 ~~2003 shall remain valid and effective, except as may be amended~~  
17 ~~at the election of the local exchange telecommunications company~~  
18 ~~as authorized by this chapter. The commission shall allow a~~  
19 ~~previously approved plan to be amended to conform to any changes~~  
20 ~~made under this chapter, and shall not require any other changes~~  
21 ~~to the plan.~~

22 ~~(b) Limitation on changes to plans. Except for changes to~~  
23 ~~existing alternative form of regulation and network~~  
24 ~~modernization plans as authorized by this chapter, no change to~~  
25 ~~any alternative form of regulation or network modernization plan~~  
26 ~~may be made without the express agreement of both the commission~~  
27 ~~and the local exchange telecommunications company.~~

28 ~~(c) Grandfather provision. All services previously declared~~  
29 ~~competitive as of December 31, 2003, under a local exchange~~  
30 ~~telecommunications company's alternative form of regulation plan~~

1 ~~shall remain competitive.~~

2 ~~(d) Commission oversight. The commission will continue to~~  
3 ~~exercise oversight of alternative form of regulation and network~~  
4 ~~modernization plans for local exchange telecommunications~~  
5 ~~companies as provided in this chapter.~~

6 ~~§ 3014. Network modernization plans.~~

7 ~~(a) Continuation of approved plan. A local exchange~~  
8 ~~telecommunications company that does not elect an option under~~  
9 ~~subsection (b) shall remain subject to its network modernization~~  
10 ~~plan in effect as of December 31, 2003, without revision or~~  
11 ~~modification except by agreement under section 3013(b) (relating~~  
12 ~~to continuation of commission approved alternative regulation~~  
13 ~~and network modernization plans) and as provided in this~~  
14 ~~section, through December 31, 2015.~~

15 ~~(b) Options for amendment of network modernization plan.~~  
16 ~~Local exchange telecommunications companies shall have the~~  
17 ~~following options:~~

18 ~~(1) (i) A rural telecommunications carrier that elects~~  
19 ~~to amend its network modernization plan pursuant to this~~  
20 ~~subsection shall remain subject to the carrier's network~~  
21 ~~modernization plan in effect as of December 31, 2003, as~~  
22 ~~amended pursuant to this subsection, through December 31,~~  
23 ~~2008. Prior to implementation of such election, the rural~~  
24 ~~telecommunications carrier shall comply with the~~  
25 ~~notification requirements of subsection (d).~~

26 ~~(ii) The rural telecommunications carrier shall~~  
27 ~~commit to accelerate 100% universal broadband~~  
28 ~~availability by December 31, 2008, in its amended network~~  
29 ~~modernization plan. Any rural telecommunications carrier~~  
30 ~~electing this option shall not be required to offer a~~

1 ~~bona fide retail request program.~~

2 ~~(2) (i) A rural telecommunications carrier that elects~~  
3 ~~to amend its network modernization plan pursuant to this~~  
4 ~~subsection shall remain subject to the carrier's network~~  
5 ~~modernization plan in effect as of December 31, 2003, as~~  
6 ~~amended pursuant to this subsection, through December 31,~~  
7 ~~2010. Prior to implementation of such election, the rural~~  
8 ~~telecommunications carrier shall comply with the~~  
9 ~~notification requirements of subsection (d).~~

10 ~~(ii) The rural telecommunications carrier shall~~  
11 ~~commit:~~

12 ~~(A) to accelerate broadband availability to 80%~~  
13 ~~of its total retail access lines in its distribution~~  
14 ~~network by December 31, 2010; and~~

15 ~~(B) to offer a bona fide retail request program~~  
16 ~~pursuant to subsection (c) through December 31, 2015.~~

17 ~~A rural telecommunications carrier with an existing broadband~~  
18 ~~availability commitment exceeding 80% of the total retail~~  
19 ~~access lines in its distribution network on December 31,~~  
20 ~~2010, may either accelerate such broadband availability or~~  
21 ~~remain under its existing network modernization plan for~~  
22 ~~broadband deployment, provided however, that under no~~  
23 ~~circumstances may the rural telecommunications carrier reduce~~  
24 ~~its existing commitment.~~

25 ~~(3) (i) A local exchange telecommunications company~~  
26 ~~that elects to amend its network modernization plan~~  
27 ~~pursuant to this subsection shall remain subject to such~~  
28 ~~company's network modernization plan in effect as of~~  
29 ~~December 31, 2003, as amended pursuant to this~~  
30 ~~subsection, including meeting its 100% broadband~~

~~availability commitment by December 31, 2015. Prior to implementation of such election, the local exchange telecommunications company shall comply with the notification requirements of subsection (d).~~

~~(ii) The local exchange telecommunications company shall commit:~~

~~(A) to accelerate broadband availability to 80% of its total retail access lines in its distribution network by December 31, 2010; and~~

~~(B) to offer a bona fide retail request program pursuant to subsection (c) through December 31, 2015.~~

~~A local exchange telecommunications company with an existing broadband availability commitment exceeding 80% of the total retail access lines in its distribution network on December 31, 2010, may either accelerate such broadband availability or remain under its existing network modernization plan for broadband deployment, provided however that under no circumstances may such local exchange telecommunications company reduce its existing commitment.~~

~~(4) A local exchange telecommunications company that elects under paragraph (1), (2) or (3) shall also commit to universal broadband deployment in or adjacent to public rights of way abutting all public schools, including the administration offices supporting public schools, industrial parks and health care facilities in its service territory on or before December 31, 2004, except that a local exchange telecommunications carrier serving more than ten exchanges in this Commonwealth may elect to extend this commitment from December 31, 2004, to December 31, 2005, for any exchange with less than 4,000 access lines.~~

1           ~~(5) A local exchange telecommunications company that~~  
2           ~~elects under paragraph (1), (2) or (3) may amend its network~~  
3           ~~modernization plan to define "universal broadband~~  
4           ~~availability" as the provision of broadband capability with~~  
5           ~~ten business days of notice to the company of the request by~~  
6           ~~a bona fide customer. If a local exchange telecommunications~~  
7           ~~company does not elect under paragraph (1), (2) or (3), then~~  
8           ~~the provisioning interval shall remain and be within five~~  
9           ~~days after a request for broadband service is received, as~~  
10           ~~stated in the company's currently effective network~~  
11           ~~modernization plan.~~

12           ~~(6) A local exchange telecommunications company that~~  
13           ~~elects under paragraph (1), (2) or (3) may petition the~~  
14           ~~commission for modification of its amended network~~  
15           ~~modernization plan, which the commission may grant upon good~~  
16           ~~cause shown.~~

17           ~~(7) A rural telecommunications carrier making an~~  
18           ~~election pursuant to paragraph (1), (2) or (3) and filing its~~  
19           ~~amended network modernization plan with the commission~~  
20           ~~pursuant to subsection (d) shall be granted by the commission~~  
21           ~~a suspension of its section 251(c)(2), (3), (4), (5) and (6)~~  
22           ~~obligations under the Telecommunications Act of 1996. This~~  
23           ~~suspension of obligations shall expire on December 31, 2010,~~  
24           ~~unless extended by the commission. Should the commission,~~  
25           ~~following a hearing, determine that the rural~~  
26           ~~telecommunications carrier has failed to timely meet its~~  
27           ~~commitments pursuant to this paragraph the suspension of~~  
28           ~~obligations shall expire upon entry of the commission order~~  
29           ~~making such determination. Expiration of the suspension of~~  
30           ~~obligations shall not impact the rural telephone company~~

~~exemption of the rural telecommunications carrier under section 251(f)(1) of the Telecommunications Act of 1996. (c) Bona fide retail request program. A local exchange telecommunications company that elects to amend its network modernization plan pursuant to subsection (b)(1), (2) or (3) shall notify the commission no later than one year after the effective date of its election that it is implementing a bona fide retail request program which shall continue through December 31, 2015, or such earlier date as the local telecommunications company achieves universal broadband deployment throughout its service territory. A bona fide retail request program shall consist of the following:~~

~~(1) Persons or entities seeking advanced services pursuant to a bona fide retail request program shall submit a written request for such services to the local exchange telecommunications company. The written request may be in the form of a petition which includes the information required by this paragraph or in the form of individual requests each of which includes the information required by this paragraph. If individual requests are received, the local exchange telecommunications company shall aggregate requests for the same or comparable service and initiate appropriate action pursuant to this subsection when the required number of requests have been received. To be considered a bona fide retail request, the written request must include:~~

~~(i) a request that a minimum of 50 retail access lines be provided the same or comparable advanced service within a community or a request that 25% of retail access lines be provided the same or comparable advanced service within a community, whichever is less;~~

~~(ii) the name, address, telephone number and signature of each existing retail customer seeking the advanced service, the advanced service being requested, the number of access lines for which the advanced service is requested, a commitment by each retail customer who signs the request to subscribe to the requested advanced service for a minimum of one year at the local exchange telecommunications company's applicable rate for the service; and~~

~~(iii) the name, address and telephone number of a designated contact person.~~

~~Customers making the request shall agree to take the service for a one year period, but shall not be required to make such a commitment until the price and terms of the service are specified by the Incumbent Local Exchange Carrier and shall not be required to make any payments until the service is actually provided.~~

~~(2) In administering the bona fide retail request program, the local exchange telecommunications company shall:~~

~~(i) establish a World Wide Web site and toll free telephone number to address customer inquiries regarding the program;~~

~~(ii) mail a request form to a customer upon request;~~

~~(iii) confirm its receipt of any completed request in writing to the customer; such confirmation to identify the service requested, the applicable rate, the expected contract term, the status of the request and a term subscription agreement for execution; and~~

~~(iv) notify the customers in a community, within 45 days, of the expected implementation date once the~~

~~requisite number of requests has been received and the expected date of the availability of service.~~

~~(3) When a bona fide retail request has been received that meets the requirements of paragraph (1), the local exchange telecommunications company shall provide the requested advanced service or other reasonably comparable service that meets the data speed of the requested service to the community as soon as practicable, but in no event later than 365 days of the date the requirements of paragraph (1) have been met or within the period approved by the commission under paragraph (4) where:~~

~~(i) the local exchange telecommunications company provides the requested advanced service to other customers in its service territory;~~

~~(ii) there is no advanced service using any technology available to the requesting customers that offers data speeds reasonably comparable to that requested; and~~

~~(iii) the community is situated within the service territory of the local exchange telecommunications company.~~

~~(4) Where the total number of bona fide retail requests received by any local exchange telecommunications company or affiliated companies that meet the requirements of paragraphs (1) and (3) exceed 40 customers in any 12 month period, or where there are more than 20 such requests that require property acquisition, including acquiring rights of way, or new construction in any 12 month period, the local exchange telecommunications company or companies may provide a verified certification to the commission that one or both of~~



~~the previously stated criteria are met. Upon receipt of the certification, the commission, or the commission through its designated staff, shall permit the local exchange telecommunications company or companies to extend the time for such deployments for a period of no more than 12 months, unless the commission determines an additional time period to be just and reasonable.~~

~~(5) With regard to requests submitted under this subsection, a retail customer may challenge the action of a local exchange telecommunications company pursuant to section 701 (relating to complaints).~~

~~(6) Local exchange telecommunications companies with bona fide retail request programs shall provide semiannual reports to the commission of the number of requests for advanced services received during the reporting period by exchange and the action taken on requests meeting the requirements of subsection (c). Local exchange telecommunications companies, within 30 days after initiating a bona fide retail request program, shall also provide the commission with the form of any advanced services term subscription agreements customers will be required to execute in connection with receiving the requested services.~~

~~(d) Notice and filing of amendments. A local exchange telecommunications company that elects to amend its network modernization plan pursuant to subsection (b) shall notify the commission in writing of such election and, within 60 days following such notification, file its amended network modernization plan with the commission. Copies of the written notice of election and of the amended network modernization plan shall be served by the local exchange telecommunications company~~

1 ~~on the Office of Consumer Advocate and the Office of Small~~  
2 ~~Business Advocate. Concurrent with the filing of the amended~~  
3 ~~plan with the commission, the local exchange telecommunications~~  
4 ~~company shall publish notice of such filing in a newspaper or~~  
5 ~~newspapers of general circulation in its service territory or by~~  
6 ~~bill message or insert. The amended network modernization plan~~  
7 ~~shall become effective upon filing with the commission.~~

8 ~~(c) Network modernization plan report.—~~

9 ~~(1) A local exchange telecommunications company that~~  
10 ~~files an amended network modernization plan with the~~  
11 ~~commission shall also file with the commission a report on~~  
12 ~~its provision of broadband availability. The first report~~  
13 ~~shall be filed no later than April 30, 2004, and shall be~~  
14 ~~based upon the 12 months ending December 31, 2003.~~

15 ~~Thereafter, reports shall be filed biennially no later than~~  
16 ~~April 30. To the extent applicable to the local exchange~~  
17 ~~telecommunications company's amended network modernization~~  
18 ~~plan, reports shall be limited to:~~

19 ~~(i) The status of broadband deployment in or~~  
20 ~~adjacent to public rights of way abutting all public~~  
21 ~~schools, including the administration offices supporting~~  
22 ~~public schools, industrial parks and health care~~  
23 ~~facilities.~~

24 ~~(ii) The percentage of access lines with broadband~~  
25 ~~availability from the local exchange telecommunications~~  
26 ~~company.~~

27 ~~(iii) The number of written bona fide retail~~  
28 ~~requests received by exchange.~~

29 ~~(iv) A general description of any technologies or~~  
30 ~~media utilized by the local exchange telecommunications~~

~~company to offer or provide advanced services and  
broadband availability.~~

~~(2) (i) The report shall be submitted in the form  
determined by the commission. Should the commission  
request any additional network reports or information, a  
local exchange telecommunications company may oppose such  
requirement, by petition, on the grounds that the report  
or information will be detrimental to the security of its  
network or that the benefits of the report will not  
exceed the attendant expense or administrative time  
requirements associated therewith. The commission shall  
grant the petition upon such showing by the local  
exchange telecommunications company.~~

~~(ii) Nothing in this paragraph shall be construed to  
impede the ability of the commission to require the  
submission of further information to support the accuracy  
of or to seek an explanation of the reports specified in  
this subsection.~~

~~(iii) Under no circumstances shall the commission  
compel the public release of maps or other information  
describing the actual location of a local exchange  
communications company's facilities.~~

~~(f) Assistance to political subdivisions.~~

~~(1) In an effort to assist political subdivisions with  
economic revitalization projects, a local exchange  
telecommunications company shall commit, in its modified  
alternative form of regulation plan and its network  
modernization plan, to make technical assistance for such  
projects available to political subdivisions located in its  
service territory in pursuing the deployment of additional~~

1 ~~telecommunications infrastructure or services by the local~~  
2 ~~telecommunications company.~~

3 ~~(2) A political subdivision or any entity established by~~  
4 ~~a political subdivision, including a municipal authority, may~~  
5 ~~not provide any telecommunications services to the public for~~  
6 ~~compensation within the service territory of a local exchange~~  
7 ~~telecommunications company operating under a network~~  
8 ~~modernization plan.~~

9 ~~(3) The prohibition in paragraph (2) shall not be~~  
10 ~~construed to preclude the continued provision of any~~  
11 ~~municipally provided telecommunications services of the same~~  
12 ~~type and scope as were being provided on the effective date~~  
13 ~~of this section.~~

14 ~~(g) Advanced Services Education and Aggregation Fund.—~~

15 ~~(1) The Advanced Services Education and Aggregation Fund~~  
16 ~~is established as a separate fund in the State Treasury and~~  
17 ~~shall be funded by the payments that may be required under~~  
18 ~~section 3015(c) (relating to alternative forms of~~  
19 ~~regulation).~~

20 ~~(2) The department shall authorize expenditures from the~~  
21 ~~fund for two purposes:~~

22 ~~(i) educational outreach programs for political~~  
23 ~~subdivisions, economic development entities, public~~  
24 ~~schools, health care facilities and businesses and for~~  
25 ~~residential customers concerning the benefits, use and~~  
26 ~~procurement of advanced services and broadband~~  
27 ~~telecommunication services from local exchange~~  
28 ~~telecommunications companies; and~~

29 ~~(ii) seed grants to aggregate customer demand for~~  
30 ~~advanced services or broadband in communities without~~

~~such services and permit customers in such communities to request such services under a local exchange telecommunications company bona fide retail request program.~~

~~(3) The fund shall continue until December 31, 2015, at which time the department shall terminate the fund and return the remaining funds on a pro rata basis to the local exchange telecommunications companies that contributed to the fund.~~

~~(h) Balanced deployment. A local exchange telecommunications company shall reasonably balance deployment of its broadband network between rural, urban and suburban areas within its service territory, as those areas are applicable, according to its approved network modernization plan.~~

~~(i) Impact of competition. Notwithstanding any provision of this section or any network modernization plan to the contrary, if one or more alternative service providers, excluding service providers using satellite based systems, have made advanced services or broadband available at reasonably comparable data speeds throughout a particular exchange served by a rural telecommunications carrier, the rural telecommunications carrier's commitment to provide advanced services and broadband availability in that exchange shall be deemed met and shall be credited to its deployment obligation.~~

~~(j) Study of Statewide education network.~~

~~(1) The Legislative Budget and Finance Committee in consultation with all advanced broadband service providers, telecommunications carriers and alternative service providers operating in this Commonwealth, irrespective of the technology used, and the Department of Education shall perform a feasibility study on the development of a Statewide~~

~~education network to promote the effective use of information technology that enhances education, promotes community partnerships and supports economic growth in a knowledge-based society. In conducting the study, the committee shall consider cost benefit analyses associated with the development and implementation of a Statewide education network. At a minimum, the committee shall inquire into and make recommendations with respect to:~~

~~(i) The impact on public and private schools, vocational technical schools, intermediate units and institutions of higher education in this Commonwealth that would be linked together with functional levels of broadband throughout this Commonwealth.~~

~~(ii) Competition in the telecommunications industry of this Commonwealth and the ability for the public and private schools, vocational technical schools, intermediate units and institutions of higher education in this Commonwealth's network on intermediate units, school districts and individual schools to procure telecommunications services.~~

~~(iii) The impact on local exchange telecommunications service providers that have amended its network modernization plan to accelerate the deployment of broadband and advanced services as provided for within the provisions of this chapter.~~

~~(iv) Funding mechanisms to support the development and implementation of a Statewide education network and the availability of Federal and State funding assistance programs available to rural school districts to procure high speed telecommunications services.~~

1           ~~(v) A comparison of the efficiency and effectiveness~~  
2           ~~of Statewide education networks implemented in other~~  
3           ~~states.~~

4           ~~(2) The committee shall submit a final report with~~  
5           ~~recommendations to the General Assembly no later than May 31,~~  
6           ~~2005, and publish notice of the final report in the~~  
7           ~~Pennsylvania Bulletin within 30 days of the submission of the~~  
8           ~~final report.~~

9           ~~(k) Inventory of available services.~~

10           ~~(1) The department shall compile, periodically update~~  
11           ~~and publish, including at its World Wide Web site, a listing~~  
12           ~~of advanced and broadband services, by general location,~~  
13           ~~available from all advanced and broadband service providers~~  
14           ~~operating in this Commonwealth irrespective of the technology~~  
15           ~~used.~~

16           ~~(2) All providers of advanced and broadband services~~  
17           ~~shall cooperate with the department.~~

18           ~~(3) The department may not disclose maps or other~~  
19           ~~information describing the specific location of any~~  
20           ~~provider's facilities.~~

21           ~~(l) Construction. Nothing in this section shall be~~  
22           ~~construed:~~

23           ~~(1) As giving the commission the authority to require a~~  
24           ~~local exchange telecommunications company to provide specific~~  
25           ~~services or to deploy a specific technology to retail~~  
26           ~~customers seeking broadband or advanced services.~~

27           ~~(2) As prohibiting a local exchange telecommunications~~  
28           ~~company from participating in joint ventures with other~~  
29           ~~entities in meeting its advanced services and broadband~~  
30           ~~deployment commitments under its network modernization plan.~~

~~§ 3015. Alternative forms of regulation.~~

~~(a) Inflation offset.~~

~~(1) Except as otherwise provided in paragraph (2), a local exchange telecommunications company with an alternative form of regulation containing a price stability mechanism that files an amended network modernization plan under section 3014(b)(1), (2) or (3) (relating to network modernization plans) shall not be subject to an inflation offset in its price stability mechanism in adjusting its rates for noncompetitive services. In all other respects the price stability mechanism shall remain the same.~~

~~(2) Through December 31, 2015:~~

~~(i) In any year in which revenue neutral rate changes are ordered by the commission for a nonrural telecommunications carrier, any increase in residential and small business protected service rates under that carrier's price stability mechanism in that year shall be offset against any revenue neutral rate increase for those services.~~

~~(ii) (A) A rural telecommunications carrier may not separately propose, as part of a rate rebalancing filing, to increase the rates for residential or small business local exchange telecommunications service in the same calendar year as rates for residential or small business local exchange telecommunications service are increased under the annual price stability index, where the rate rebalancing proposal is not submitted to the commission as part of the annual price stability mechanism filing. Any cap contained in the rate~~



1 ~~rebalancing section of a rural telecommunications~~  
2 ~~carrier's existing alternative form of regulation~~  
3 ~~plan that restricts the level of annual rate~~  
4 ~~increases to a local exchange telecommunications~~  
5 ~~service shall also be applied to limit any rate~~  
6 ~~increase that occurs as a result of elimination of~~  
7 ~~the offset.~~

8 ~~(B) These limitations shall not apply where~~  
9 ~~rates are changed as a result of a generic~~  
10 ~~investigation or when the rebalancing does not~~  
11 ~~increase the weighted average rates respectively of~~  
12 ~~residential and small business local exchange~~  
13 ~~telecommunications service.~~

14 ~~(b) Rate changes for rural telecommunications carriers.~~

15 ~~(1) In addition to the rate change provisions in its~~  
16 ~~alternative form of regulation plan, a rural~~  
17 ~~telecommunications carrier operating without a price~~  
18 ~~stability mechanism that files with the commission an amended~~  
19 ~~network modernization plan under section 3014(b)(1), (2) or~~  
20 ~~(3) shall be permitted at any time to file with the~~  
21 ~~commission proposed tariff changes, effective 45 days after~~  
22 ~~filing, setting forth miscellaneous changes, including~~  
23 ~~increases and decreases, in rates for noncompetitive~~  
24 ~~services, excluding basic residential and business rates,~~  
25 ~~provided such rate changes do not increase the rural~~  
26 ~~telecommunications carrier's annual intrastate revenues by~~  
27 ~~more than 2%.~~

28 ~~(2) The commission tariff filing requirements and review~~  
29 ~~associated with such proposed rate changes shall be limited~~  
30 ~~to schedules submitted by the rural telecommunications~~

1 ~~carrier detailing the impact of the rate changes on the~~  
2 ~~carrier's annual intrastate revenues.~~

3 ~~(3) A rural telecommunications carrier that implements~~  
4 ~~noncompetitive rate changes consistent with the procedure set~~  
5 ~~forth in its alternative form of regulation plan shall be~~  
6 ~~required only to file such financial and cost data with the~~  
7 ~~commission to justify such changes as is required under its~~  
8 ~~commission approved alternative form of regulation plan.~~

9 ~~(4) Notwithstanding the provisions of paragraph (1), (2)~~  
10 ~~or (3), for any rural telecommunications carrier serving less~~  
11 ~~than 50,000 access lines in this Commonwealth and operating~~  
12 ~~under an alternative form of regulation plan, a formal~~  
13 ~~complaint to deny rate changes for noncompetitive services,~~  
14 ~~unless signed by at least 20 customers of the rural~~  
15 ~~telecommunications carrier, shall not prevent implementation~~  
16 ~~of the rate changes pending the adjudication of the formal~~  
17 ~~complaint by the commission.~~

18 ~~(c) Payments to fund.—~~

19 ~~(1) A local exchange telecommunications company that~~  
20 ~~files an amended network modernization plan under section~~  
21 ~~3014(b)(2) or (3) may be required by the department to~~  
22 ~~contribute up to, but no more than, 10% of the first year's~~  
23 ~~annual revenue effect:~~

24 ~~(i) of any rate increases permitted by the~~  
25 ~~elimination of the offset under subsection (a); or~~

26 ~~(ii) if the local exchange telecommunications~~  
27 ~~company is operating without a price stability mechanism,~~  
28 ~~of any rate increases under subsection (b)(1), to the~~  
29 ~~fund established under section 3014(g).~~

30 ~~(2) The contribution shall be payable in equal quarterly~~

~~installments and calculated on projected increased revenues for the first year of the rate change. The contributions shall also be made in connection with each subsequent noncompetitive service rate increase until the local exchange telecommunications company fulfills the higher percentage deployment obligation set forth in its amended network modernization plan.~~

~~(3) In no event shall the fund exceed \$5,000,000 and, in the event of such overfunding, the department shall credit the overcollection to the next year's contribution amount.~~

~~(4) A local exchange telecommunications company that elects to amend its network modernization plan pursuant to section 3014(b)(1) shall not be required to contribute to the fund.~~

~~(d) General filing requirements. For a local exchange telecommunications company that files an amended network modernization plan under section 3014(b)(1), (2) or (3), the commission's filing and audit requirements shall be limited to the following submissions by the company:~~

~~(1) Network modernization plan reports filed pursuant to section 3014(e).~~

~~(2) An annual financial report consisting of a balance sheet and income statement.~~

~~(3) An annual deaf, speech impaired and hearing impaired relay information report.~~

~~(4) An annual service report.~~

~~(5) Universal service reports.~~

~~(6) An annual access line report.~~

~~(7) An annual statement of gross intrastate operating revenues for purposes of calculating assessments for~~

1 ~~regulatory expenses.~~

2 ~~(8) An annual State tax adjustment computation for years~~  
3 ~~in which a tax change has occurred, if applicable.~~

4 ~~(9) For those companies with a bona fide retail request~~  
5 ~~program, a bona fide retail request report under section~~  
6 ~~3014(c)(6).~~

7 ~~These reports shall be submitted in the form determined by the~~  
8 ~~commission.~~

9 ~~(c) Other reports.—~~

10 ~~(1) Notwithstanding any other provision of this title to~~  
11 ~~the contrary, no report, statement, filing or other document~~  
12 ~~or information, except as specified in subsection (d), shall~~  
13 ~~be required of any local exchange telecommunications company~~  
14 ~~unless the commission, upon notice to the affected local~~  
15 ~~exchange telecommunications company and an opportunity to be~~  
16 ~~heard, has first made specific written findings supporting~~  
17 ~~conclusions in an entered order that:~~

18 ~~(i) The report is necessary to ensure that the local~~  
19 ~~exchange telecommunications company is charging rates~~  
20 ~~that are in compliance with this chapter and its~~  
21 ~~effective alternative form of regulation.~~

22 ~~(ii) The benefits of the report substantially~~  
23 ~~outweigh the attendant expense and administrative time~~  
24 ~~and effort required of the local exchange~~  
25 ~~telecommunications company to prepare it.~~

26 ~~(2) Nothing in this subsection shall be construed to~~  
27 ~~impede the ability of the commission to require the~~  
28 ~~submission of further information to support the accuracy of~~  
29 ~~or to seek an explanation of the reports specified in~~  
30 ~~subsection (d).~~

1 ~~(f) Rate change limitations. Nothing in this chapter shall~~  
2 ~~be construed to limit the requirement of section 1301 (relating~~  
3 ~~to rates to be just and reasonable) that rates shall be just and~~  
4 ~~reasonable. The annual rate change limitations set forth in a~~  
5 ~~local exchange telecommunications company's effective~~  
6 ~~commission approved alternative form of regulation plan or any~~  
7 ~~other commission approved annual rate change limitation shall~~  
8 ~~remain applicable.~~

9 ~~(g) Small business customers. Local exchange~~  
10 ~~telecommunications carriers operating under an alternative form~~  
11 ~~of regulation plan with small business customers defined as~~  
12 ~~"three lines or less" shall amend such definition to "four or~~  
13 ~~fewer lines."~~

14 ~~(h) Conformance of plan. Upon the filing by a local~~  
15 ~~exchange telecommunications company of network modernization~~  
16 ~~plan amendments pursuant to section 3014(d), the local exchange~~  
17 ~~telecommunications company's alternative form of regulation plan~~  
18 ~~shall be deemed amended consistent with this section.~~

19 ~~§ 3016. Competitive services.~~

20 ~~(a) Declaration of services as competitive. A service or~~  
21 ~~business activity provided by a local exchange~~  
22 ~~telecommunications company, including a protected service, not~~  
23 ~~previously declared by the commission as competitive may be~~  
24 ~~declared competitive by the commission under the following~~  
25 ~~provisions:~~

26 ~~(1) The local exchange telecommunications company may~~  
27 ~~petition the commission for a determination of whether a~~  
28 ~~service is competitive. The commission shall enter an order~~  
29 ~~approving or disapproving the petition within 60 days of the~~  
30 ~~filing date or 90 days where a protest is timely filed, or~~

1 ~~the petition shall be deemed approved. In making the~~  
2 ~~determination, the commission shall consider all relevant~~  
3 ~~information submitted to it.~~

4 ~~(2) Simultaneously with the filing by the local exchange~~  
5 ~~telecommunications company of a petition with the commission~~  
6 ~~for a declaration of a service as competitive, the local~~  
7 ~~exchange telecommunications company shall serve a copy of the~~  
8 ~~petition on the Office of Consumer Advocate and the Office of~~  
9 ~~Small Business Advocate and give notice to the public of the~~  
10 ~~filing of its petition in a newspaper or newspapers of~~  
11 ~~general circulation in the company's service territory.~~

12 ~~(3) In a proceeding to declare a service competitive,~~  
13 ~~the commission shall consider the availability of like or~~  
14 ~~substitute services or other business activities in the~~  
15 ~~relevant geographic area.~~

16 ~~(4) The burden of proving that a protected service is~~  
17 ~~competitive rests on the party seeking to have the service~~  
18 ~~declared competitive. Hearings shall not be required, unless~~  
19 ~~a protesting party has raised relevant and material factual~~  
20 ~~issues.~~

21 ~~(b) Optional declaration of nonprotected services as~~  
22 ~~competitive. Notwithstanding the provisions of subsection (a),~~  
23 ~~a local exchange telecommunications company that has filed an~~  
24 ~~amended network modernization plan pursuant to section~~  
25 ~~3014(b)(1), (2) or (3) (relating to network modernization~~  
26 ~~plans), at its option, may declare services which are not~~  
27 ~~protected as competitive by filing notice of its election of~~  
28 ~~this option with the commission.~~

29 ~~(c) Rural exchange specific pricing.~~

30 ~~(1) When an alternative service provider is providing~~

~~1 local exchange telecommunications services within an exchange  
2 of a rural telecommunications carrier that has filed an  
3 amended network modernization plan under section 3014(b)(1),  
4 (2) or (3), the rural telecommunications carrier may petition  
5 the commission for approval to begin pricing its services in  
6 the exchange at its discretion.~~

~~7 (2) The commission, following public notice, shall  
8 approve the petition within 60 days if shown by the rural  
9 telecommunications carrier that the alternative service  
10 provider is providing local exchange telecommunications  
11 services in the exchange.~~

~~12 (3) Any party with standing shall have the right to  
13 challenge the lawfulness of any petition filed or of any rate  
14 change pursuant to section 701 (relating to complaints).~~

~~15 (4) Following approval of a petition, the rural  
16 telecommunications carrier shall tariff any changes in  
17 noncompetitive rates effective one day after filing.~~

~~18 (5) The rural telecommunications carrier shall give  
19 notice to all customers impacted by any rate increases in the  
20 form of a bill insert, bill message, written notice or  
21 newspaper notice at least ten days prior to the tariff  
22 filing.~~

~~23 (d) Reclassification.—~~

~~24 (1) The commission may reclassify a telecommunications  
25 service or other service or business activity that it has  
26 previously found to be competitive if, after notice and  
27 hearing, it determines, upon application of the criteria set  
28 forth in this chapter, that:~~

~~29 (i) sufficient competition is no longer present;~~

~~30 (ii) the local exchange telecommunications company~~

1 ~~has engaged in unfair competition with respect to the~~  
2 ~~service; or~~

3 ~~(iii) the local exchange telecommunications company~~  
4 ~~has failed to provide nondiscriminatory access in the~~  
5 ~~provision of the service.~~

6 ~~(2) If the commission finds that a reclassification is~~  
7 ~~necessary, the commission shall determine whether the rate~~  
8 ~~for the telecommunications service or other service or~~  
9 ~~business activity is just and reasonable in accordance with~~  
10 ~~section 1301 (relating to rates to be just and reasonable).~~

11 ~~(3) If the telecommunications service or other service~~  
12 ~~or business activity subsequently becomes competitive, the~~  
13 ~~local exchange telecommunications company shall petition the~~  
14 ~~commission to make a determination of competitiveness for the~~  
15 ~~service under the provisions of this chapter.~~

16 ~~(4) The burden of proving that a competitive service~~  
17 ~~should be declared noncompetitive rests on the party seeking~~  
18 ~~to have the service declared noncompetitive.~~

19 ~~(c) Additional requirements.—~~

20 ~~(1) The prices which a local exchange telecommunications~~  
21 ~~company charges for competitive services shall not be less~~  
22 ~~than the costs to provide the services.~~

23 ~~(2) The commission may not require tariffs for~~  
24 ~~competitive service offerings to be filed with the~~  
25 ~~commission.~~

26 ~~(3) A local exchange telecommunications company, at its~~  
27 ~~option, may tariff its rates, subject to rules and~~  
28 ~~regulations applicable to the provision of competitive~~  
29 ~~services.~~

30 ~~(4) The commission may require a local exchange~~



1 ~~telecommunications company to maintain price lists with the~~  
2 ~~commission applicable to its competitive services.~~

3 ~~(f) Pricing flexibility and bundling.—~~

4 ~~(1) Subject to the requirements of subsection (e)(1), a~~  
5 ~~local exchange telecommunications company may price~~  
6 ~~competitive services at the company's discretion.~~

7 ~~(2) A local exchange telecommunications company may~~  
8 ~~offer and bill to customers on one bill bundled packages of~~  
9 ~~services which include nontariffed, competitive,~~  
10 ~~noncompetitive or protected services, including services of~~  
11 ~~an affiliate, in combinations and at a single price selected~~  
12 ~~by the company.~~

13 ~~(3) If a customer subscribes to a bundled package of~~  
14 ~~services which include nontariffed, competitive,~~  
15 ~~noncompetitive or protected services as provided in paragraph~~  
16 ~~(2) and does not make payment on a billing due date, the~~  
17 ~~local exchange telecommunications company may first suspend~~  
18 ~~all of the customer's services subscribed to in the bundled~~  
19 ~~package following written notice to the customer of such~~  
20 ~~suspension at least seven days prior to the suspension and~~  
21 ~~thereafter may terminate all the customer's bundled package~~  
22 ~~services following written notice to the customer of such~~  
23 ~~termination at least ten days prior to the termination.~~

24 ~~(g) Prohibitions.—~~

25 ~~(1) A local exchange telecommunications company shall be~~  
26 ~~prohibited from using revenues earned or expenses incurred in~~  
27 ~~conjunction with protected services to subsidize competitive~~  
28 ~~services.~~

29 ~~(2) Paragraph (1) shall not be construed to prevent the~~  
30 ~~marketing and billing of noncompetitive and competitive~~

1 ~~services as packages to customers.~~

2 ~~§ 3017. Access charges.~~

3 ~~(a) General rule. The commission may not require a local~~  
4 ~~exchange telecommunications company to reduce access rates~~  
5 ~~except on a revenue neutral basis and may not order decreases in~~  
6 ~~access rates for a nonrural telecommunications carrier more than~~  
7 ~~once every two years.~~

8 ~~(b) Refusal to pay access charges prohibited. No person or~~  
9 ~~entity may refuse to pay tariffed access charges for~~  
10 ~~interexchange services provided by a local exchange~~  
11 ~~telecommunications company.~~

12 ~~(c) Limitation. No telecommunications carrier providing~~  
13 ~~competitive local exchange telecommunications service may charge~~  
14 ~~access rates higher than those charged by the incumbent local~~  
15 ~~exchange telecommunications company in the same service~~  
16 ~~territory, unless such carrier can demonstrate, by substantial~~  
17 ~~evidence, that the higher access rates are cost justified.~~

18 ~~§ 3018. Interexchange telecommunications carriers.~~

19 ~~(a) Competitive and noncompetitive services. Interexchange~~  
20 ~~services provided by interexchange telecommunications carriers~~  
21 ~~shall continue to be competitive services after December 31,~~  
22 ~~2003, except for the provision of the following interexchange~~  
23 ~~services which shall be noncompetitive services unless declared~~  
24 ~~otherwise by the commission pursuant to section 3016 (relating~~  
25 ~~to competitive services):~~

26 ~~(1) Interexchange service to aggregator telephones.~~

27 ~~(2) Optional calling plans required by the commission to~~  
28 ~~be offered when justified by usage over an interexchange~~  
29 ~~route.~~

30 ~~(b) Rate regulation.~~

1           ~~(1) The commission may not fix or prescribe the rates,~~  
2           ~~tolls, charges, rate structures, rate base, rate of return,~~  
3           ~~operating margin or earnings for interexchange competitive~~  
4           ~~services or otherwise regulate interexchange competitive~~  
5           ~~services except as set forth in this chapter.~~

6           ~~(2) An interexchange telecommunications carrier may file~~  
7           ~~and maintain tariffs or price lists with the commission for~~  
8           ~~competitive telecommunications services.~~

9           ~~(3) Nothing in this chapter shall be construed to limit~~  
10          ~~the authority of the commission to regulate the privacy of~~  
11          ~~interexchange service and the ordering, installation,~~  
12          ~~restoration and disconnection of interexchange service to~~  
13          ~~customers.~~

14          ~~(c) Reclassification. The commission may reclassify~~  
15          ~~telecommunications services provided by an interexchange~~  
16          ~~telecommunications carrier as noncompetitive if, after notice~~  
17          ~~and hearing, it determines, upon application of the criteria set~~  
18          ~~forth in this chapter, that sufficient competition is no longer~~  
19          ~~present.~~

20          ~~(d) Construction. Nothing in this chapter shall be~~  
21          ~~construed:~~

22                 ~~(1) To limit the authority of the commission to resolve~~  
23                 ~~complaints regarding the quality of interexchange~~  
24                 ~~telecommunications carrier service.~~

25                 ~~(2) To limit the authority of the commission to~~  
26                 ~~determine whether an interexchange telecommunications carrier~~  
27                 ~~should be extended the privilege of operating within this~~  
28                 ~~Commonwealth or to order the filing of such reports,~~  
29                 ~~documents and information as may be necessary to monitor the~~  
30                 ~~market for and competitiveness of interexchange~~

1 ~~telecommunications services.~~

2 ~~§ 3019. Additional powers and duties.~~

3 ~~(a) General rule. The commission may certify more than one~~  
4 ~~telecommunications carrier to provide local exchange~~  
5 ~~telecommunications service in a specific geographic location.~~  
6 ~~The certification shall be granted upon a showing that it is in~~  
7 ~~the public interest and that the applicant possesses sufficient~~  
8 ~~technical, financial and managerial resources.~~

9 ~~(b) Powers and duties retained. The commission shall retain~~  
10 ~~the following powers and duties relating to the regulation of~~  
11 ~~all telecommunications carriers and interexchange~~  
12 ~~telecommunications carriers:~~

13 ~~(1) To audit the accounting and reporting systems of~~  
14 ~~telecommunications carriers relating to their transactions~~  
15 ~~with affiliates pursuant to Chapter 21 (relating to relations~~  
16 ~~with affiliated interests). A telecommunications carrier~~  
17 ~~shall file affiliated interest and affiliated transaction~~  
18 ~~agreements, unless such agreements involve services declared~~  
19 ~~to be competitive. The filings shall constitute notice to the~~  
20 ~~commission only and shall not require approval by the~~  
21 ~~commission.~~

22 ~~(2) To review and revise quality of service standards~~  
23 ~~contained in 52 Pa. Code (relating to public utilities) that~~  
24 ~~address the safety, adequacy, reliability and privacy of~~  
25 ~~telecommunications services and the ordering, installation,~~  
26 ~~suspension, termination and restoration of any~~  
27 ~~telecommunications service. Any review or revision shall take~~  
28 ~~into consideration the emergence of new industry~~  
29 ~~participants, technological advancements, service standards~~  
30 ~~and consumer demand.~~

1           ~~(3) Subject to the provisions of section 3015(d)~~  
2           ~~(relating to alternative forms of regulation), to establish~~  
3           ~~such additional requirements as are consistent with this~~  
4           ~~chapter as the commission determines to be necessary to~~  
5           ~~ensure the protection of customers.~~

6           ~~(4) Condition the sale, merger or acquisition of a local~~  
7           ~~exchange telecommunications company or any facilities used to~~  
8           ~~provide telecommunications services to ensure that there is~~  
9           ~~no reduction in the advanced service or broadband deployment~~  
10           ~~obligations for the sold, merged or acquired property.~~

11           ~~(c) Privacy of customer information.~~

12           ~~(1) Except as otherwise provided in this subsection, a~~  
13           ~~telecommunications carrier may not disclose to any person~~  
14           ~~information relating to any customer's patterns of use,~~  
15           ~~equipment and network information and any accumulated records~~  
16           ~~about customers.~~

17           ~~(2) A telecommunications carrier may disclose such~~  
18           ~~information:~~

19           ~~(i) Pursuant to a court order or where otherwise~~  
20           ~~required by law.~~

21           ~~(ii) To the carrier's affiliates, agents,~~  
22           ~~contractors or vendors and other telecommunications~~  
23           ~~carriers or interexchange telecommunications carriers, as~~  
24           ~~permitted by law.~~

25           ~~(iii) Where the information consists of aggregate~~  
26           ~~data which does not identify individual customers.~~

27           ~~(d) Unreasonable preferences. Nothing in this chapter shall~~  
28           ~~be construed to limit the authority of the commission to ensure~~  
29           ~~that local exchange telecommunications companies do not make or~~  
30           ~~impose unreasonable preferences, discriminations or~~

1 ~~classifications for protected services and other noncompetitive~~  
2 ~~services.~~

3 ~~(c) Lifeline service.~~

4 ~~(1) All eligible telecommunications carriers~~  
5 ~~certificated to provide local exchange telecommunications~~  
6 ~~service shall provide Lifeline service to all eligible~~  
7 ~~telecommunications customers who subscribe to such service.~~

8 ~~(2) All eligible telecommunications customers who~~  
9 ~~subscribe to Lifeline service shall be permitted to subscribe~~  
10 ~~up to two other eligible telecommunications carrier~~  
11 ~~telecommunications services at the tariffed rates for such~~  
12 ~~services.~~

13 ~~(3) Whenever a prospective customer seeks to subscribe~~  
14 ~~to local service from an eligible telecommunications carrier,~~  
15 ~~the carrier shall explicitly advise the customer of the~~  
16 ~~availability of Lifeline service and shall make reasonable~~  
17 ~~efforts where appropriate to determine whether the customer~~  
18 ~~qualifies for such service and, if so, whether the customer~~  
19 ~~wishes to subscribe to the service.~~

20 ~~(4) Eligible telecommunications carriers shall inform~~  
21 ~~existing customers of the availability of Lifeline service~~  
22 ~~twice annually by bill insert or message. The notice shall be~~  
23 ~~conspicuous and shall provide appropriate eligibility,~~  
24 ~~benefits and contact information for customers who wish to~~  
25 ~~learn of the Lifeline service subscription requirements.~~

26 ~~(5) No eligible telecommunications carrier shall be~~  
27 ~~required to provide or to continue to provide after the~~  
28 ~~effective date of this section any Lifeline service discount~~  
29 ~~that is not fully subsidized by the Federal Universal Service~~  
30 ~~Fund.~~

1 ~~(f) Method for fixing rates. The commission may not fix or~~  
2 ~~prescribe the rates, tolls, charges, rate structures, rate base,~~  
3 ~~rate of return or earnings of competitive services or otherwise~~  
4 ~~regulate competitive services except as set forth in this~~  
5 ~~chapter.~~

6 ~~(g) Implementation. The terms of a local exchange~~  
7 ~~telecommunications company's alternative form of regulation and~~  
8 ~~network modernization plans shall govern the regulation of the~~  
9 ~~local exchange telecommunications company and, consistent with~~  
10 ~~the provisions of this chapter, shall supersede any conflicting~~  
11 ~~provisions of this title or other laws of this Commonwealth and~~  
12 ~~shall specifically supersede all provisions of Chapter 13~~  
13 ~~(relating to rates and rate making) other than sections 1301~~  
14 ~~(relating to rates to be just and reasonable), 1302 (relating to~~  
15 ~~tariffs; filing and inspection), 1303 (relating to adherence to~~  
16 ~~tariffs), 1304 (relating to discrimination in rates), 1305~~  
17 ~~(relating to advance payment of rates; interest on deposits),~~  
18 ~~1309 (relating to rates fixed on complaint; investigation of~~  
19 ~~costs of production) and 1312 (relating to refunds).~~

20 ~~(h) Protection of employees.—~~

21 ~~(1) No telecommunications carrier may discharge,~~  
22 ~~threaten, discriminate or retaliate against an employee~~  
23 ~~because the employee made a good faith report to the~~  
24 ~~commission, the Office of Consumer Advocate or the Office of~~  
25 ~~Attorney General regarding wrongdoing, waste or a potential~~  
26 ~~violation of the commission's orders or regulations or of~~  
27 ~~this title.~~

28 ~~(2) A person who alleges a violation of this section~~  
29 ~~must bring a civil action in a court of competent~~  
30 ~~jurisdiction for appropriate injunctive relief or damages~~

~~within 180 days after the occurrence of the alleged violation.~~

~~§ 3019.1. Voice Over Internet Protocol regulation exemption.~~

~~Voice Over Internet Protocol service shall not be subject to commission regulation, nor shall any provider of VOIP service be a public utility subject to commission regulation by virtue of providing such service. However, this exemption from commission regulation shall not affect the rights and obligations of any entity related to the payment of switched network access rates or other intercarrier compensation, if any, related to VOIP service.~~

~~§ 3019.2. Voice Over Internet Protocol tax exemption.~~

~~The provision of Voice Over Internet Protocol services by any person or corporation and the provision of telecommunications services used to provide VOIP services shall be exempt from the following taxes and fees commencing on the effective date of this section.~~

~~(1) Notwithstanding the act of December 31, 1965 (P.L.1257, No.511), known as The Local Tax Enabling Act, no political subdivision shall impose or collect any tax, charge or other fee upon the provision of VOIP services.~~

~~(2) Notwithstanding Article XXXI B of the act of July 28, 1953 (P.L.723, No.230), known as the Second Class County Code, and the act of June 5, 1991 (P.L.9, No.6), known as the Pennsylvania Intergovernmental Cooperation Authority Act for Cities of the First Class, no local sales and use tax shall be imposed on any VOIP services.~~

~~§ 3020. Expiration of chapter.~~

~~(a) Expiration. Except as provided in subsection (b), this chapter shall expire on December 31, 2010.~~



1 ~~(b) Exception. A local exchange telecommunications~~  
2 ~~company's alternative form of regulation in effect on December~~  
3 ~~31, 2010, and the VOIP exemption from commission regulation~~  
4 ~~under section 3019.1 (relating to Voice Over Internet Protocol~~  
5 ~~exemption) shall not expire on December 31, 2010.~~

6 Section 3. The provisions of this act are severable. If any  
7 provision of this act or its application to any person or  
8 circumstance is held invalid, the invalidity shall not affect  
9 other provisions or applications of this act which can be given  
10 effect without the invalid provision or application.

11 Section 4. Section 2471 of the act of February 1, 1966 (1965  
12 P.L.1656, No.581), known as The Borough Code, is repealed to the  
13 extent it is inconsistent with this act.

14 Section 5. This act shall take effect January 1, 2004, or  
15 immediately, whichever occurs later.

16 SECTION 1. SECTIONS 1325, 3001, 3002, 3003, 3004, 3005, <—  
17 3006, 3007, 3008 AND 3009 OF TITLE 66 OF THE PENNSYLVANIA  
18 CONSOLIDATED STATUTES ARE REPEALED.

19 SECTION 2. TITLE 66 IS AMENDED BY ADDING SECTIONS TO READ:

20 § 3010. (RESERVED).

21 § 3011. DECLARATION OF POLICY.

22 THE GENERAL ASSEMBLY FINDS AND DECLARES THAT IT IS THE POLICY  
23 OF THIS COMMONWEALTH TO:

24 (1) STRIKE A BALANCE BETWEEN MANDATED DEPLOYMENT AND  
25 MARKET-DRIVEN DEPLOYMENT OF BROADBAND FACILITIES AND ADVANCED  
26 SERVICES THROUGHOUT THIS COMMONWEALTH AND TO CONTINUE  
27 ALTERNATIVE REGULATION OF LOCAL EXCHANGE TELECOMMUNICATIONS  
28 COMPANIES.

29 (2) MAINTAIN UNIVERSAL TELECOMMUNICATIONS SERVICE AT  
30 AFFORDABLE RATES WHILE ENCOURAGING THE ACCELERATED PROVISION

1 OF ADVANCED SERVICES AND DEPLOYMENT OF A UNIVERSALLY  
2 AVAILABLE, STATE-OF-THE-ART, INTERACTIVE BROADBAND  
3 TELECOMMUNICATIONS NETWORK IN RURAL, SUBURBAN AND URBAN  
4 AREAS, INCLUDING DEPLOYMENT OF BROADBAND FACILITIES IN OR  
5 ADJACENT TO PUBLIC RIGHTS-OF-WAY ABUTTING PUBLIC SCHOOLS,  
6 INCLUDING THE ADMINISTRATIVE OFFICES SUPPORTING PUBLIC  
7 SCHOOLS, INDUSTRIAL PARKS AND HEALTH CARE FACILITIES.

8 (3) ENSURE THAT CUSTOMERS PAY ONLY REASONABLE CHARGES  
9 FOR PROTECTED SERVICES, WHICH SHALL BE AVAILABLE ON A  
10 NONDISCRIMINATORY BASIS.

11 (4) ENSURE THAT RATES FOR PROTECTED SERVICES DO NOT  
12 SUBSIDIZE THE COMPETITIVE VENTURES OF TELECOMMUNICATIONS  
13 CARRIERS.

14 (5) PROVIDE DIVERSITY IN THE SUPPLY OF EXISTING AND  
15 FUTURE TELECOMMUNICATIONS SERVICES AND PRODUCTS IN  
16 TELECOMMUNICATIONS MARKETS THROUGHOUT THIS COMMONWEALTH BY  
17 ENSURING THAT RATES, TERMS AND CONDITIONS FOR PROTECTED  
18 SERVICES ARE REASONABLE AND DO NOT IMPEDE THE DEVELOPMENT OF  
19 COMPETITION.

20 (6) ENSURE THE EFFICIENT DELIVERY OF TECHNOLOGICAL  
21 ADVANCES AND NEW SERVICES THROUGHOUT THIS COMMONWEALTH IN  
22 ORDER TO IMPROVE THE QUALITY OF LIFE FOR ALL COMMONWEALTH  
23 RESIDENTS.

24 (7) ENCOURAGE THE PROVISION OF TELECOMMUNICATIONS  
25 PRODUCTS AND SERVICES THAT ENHANCE THE QUALITY OF LIFE OF  
26 PEOPLE WITH DISABILITIES.

27 (8) PROMOTE AND ENCOURAGE THE PROVISION OF COMPETITIVE  
28 SERVICES BY A VARIETY OF SERVICE PROVIDERS ON EQUAL TERMS  
29 THROUGHOUT ALL GEOGRAPHIC AREAS OF THIS COMMONWEALTH WITHOUT  
30 JEOPARDIZING THE PROVISION OF UNIVERSAL TELECOMMUNICATIONS

1 SERVICE AT AFFORDABLE RATES.

2 (9) ENCOURAGE THE COMPETITIVE SUPPLY OF ANY SERVICE IN  
3 ANY REGION WHERE THERE IS MARKET DEMAND.

4 (10) ENCOURAGE JOINT VENTURES BETWEEN LOCAL EXCHANGE  
5 TELECOMMUNICATIONS COMPANIES AND OTHER ENTITIES WHERE SUCH  
6 JOINT VENTURES ACCELERATE, IMPROVE OR OTHERWISE ASSIST A  
7 LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY IN CARRYING OUT ITS  
8 NETWORK MODERNIZATION IMPLEMENTATION PLAN.

9 (11) ESTABLISH A BONA FIDE RETAIL REQUEST PROGRAM TO  
10 AGGREGATE AND MAKE ADVANCED SERVICES AVAILABLE IN AREAS WHERE  
11 SUFFICIENT MARKET DEMAND EXISTS AND TO SUPPLEMENT EXISTING  
12 NETWORK MODERNIZATION PLANS.

13 (12) PROMOTE AND ENCOURAGE THE PROVISION OF ADVANCED  
14 SERVICES AND BROADBAND DEPLOYMENT IN THE SERVICE TERRITORIES  
15 OF LOCAL EXCHANGE TELECOMMUNICATIONS COMPANIES WITHOUT  
16 JEOPARDIZING THE PROVISION OF UNIVERSAL SERVICE.

17 (13) RECOGNIZE THAT THE REGULATORY OBLIGATIONS IMPOSED  
18 UPON THE INCUMBENT LOCAL EXCHANGE TELECOMMUNICATIONS  
19 COMPANIES SHOULD BE REDUCED TO LEVELS MORE CONSISTENT WITH  
20 THOSE IMPOSED UPON COMPETING ALTERNATIVE SERVICE PROVIDERS.

21 § 3012. DEFINITIONS.

22 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS CHAPTER  
23 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE  
24 CONTEXT CLEARLY INDICATES OTHERWISE:

25 "ADVANCED SERVICE." A RETAIL SERVICE THAT, REGARDLESS OF  
26 TRANSMISSION MEDIUM OR TECHNOLOGY, IS CAPABLE OF SUPPORTING A  
27 MINIMUM SPEED OF 200 KILOBITS PER SECOND (KBPS) IN AT LEAST ONE  
28 DIRECTION AT THE NETWORK DEMARCATION POINT OF THE CUSTOMER'S  
29 PREMISES.

30 "AGGREGATOR TELEPHONE." A TELEPHONE WHICH IS MADE AVAILABLE

1 TO THE TRANSIENT PUBLIC, CUSTOMERS OR PATRONS, INCLUDING, BUT  
2 NOT LIMITED TO, COIN TELEPHONES, CREDIT CARD TELEPHONES AND  
3 TELEPHONES LOCATED IN HOTELS, MOTELS, HOSPITALS AND  
4 UNIVERSITIES.

5 "ALTERNATIVE FORM OF REGULATION." A FORM OF REGULATION OF  
6 TELECOMMUNICATIONS SERVICES OTHER THAN THE TRADITIONAL RATE  
7 BASE/RATE OF RETURN REGULATION, INCLUDING A STREAMLINED FORM OF  
8 REGULATION, AS APPROVED BY THE COMMISSION.

9 "ALTERNATIVE SERVICE PROVIDER." AN ENTITY THAT PROVIDES  
10 TELECOMMUNICATIONS SERVICES IN COMPETITION WITH A LOCAL EXCHANGE  
11 TELECOMMUNICATIONS COMPANY.

12 "BONA FIDE RETAIL REQUEST." A WRITTEN REQUEST FOR SERVICE  
13 WHICH MEETS THE REQUIREMENTS OF SECTION 3014(C)(1), (RELATING TO  
14 NETWORK MODERNIZATION PLANS), IS RECEIVED BY A LOCAL EXCHANGE  
15 TELECOMMUNICATIONS COMPANY, AND THROUGH WHICH END USERS COMMIT  
16 TO SUBSCRIBING TO AN ADVANCED SERVICE.

17 "BONA FIDE RETAIL REQUEST PROGRAM." A PROGRAM ESTABLISHED BY  
18 A LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY PURSUANT TO SECTION  
19 3014(C) (RELATING TO NETWORK MODERNIZATION PLANS).

20 "BROADBAND." A COMMUNICATION CHANNEL USING ANY TECHNOLOGY  
21 AND HAVING A BANDWIDTH EQUAL TO OR GREATER THAN 1.544 MEGABITS  
22 PER SECOND IN AT LEAST ONE DIRECTION.

23 "BROADBAND AVAILABILITY." ACCESS TO BROADBAND SERVICE BY A  
24 RETAIL TELEPHONE CUSTOMER OF A LOCAL EXCHANGE TELECOMMUNICATIONS  
25 COMPANY.

26 "CENTRAL OFFICE." A BUILDING CONTAINING ONE OR MORE LOCAL  
27 EXCHANGE TELECOMMUNICATIONS COMPANY SWITCHES USED TO PROVIDE  
28 LOCAL EXCHANGE TELECOMMUNICATIONS SERVICE.

29 "COMMUNITY." THOSE CUSTOMERS OF A LOCAL EXCHANGE  
30 TELECOMMUNICATIONS COMPANY SERVED BY AN EXISTING OR PLANNED

1 REMOTE TERMINAL OR, WHERE NO REMOTE TERMINAL EXISTS OR IS  
2 PLANNED, A CENTRAL OFFICE SWITCH.

3 "COMPETITIVE SERVICE." A SERVICE OR BUSINESS ACTIVITY  
4 DECLARED TO BE COMPETITIVE BY THE COMMISSION ON OR PRIOR TO  
5 DECEMBER 31, 2003, AND A SERVICE OR BUSINESS ACTIVITY DECLARED  
6 TO BE COMPETITIVE PURSUANT TO SECTION 3016 (RELATING TO  
7 COMPETITIVE SERVICES).

8 "DEPARTMENT." THE DEPARTMENT OF COMMUNITY AND ECONOMIC  
9 DEVELOPMENT OF THE COMMONWEALTH.

10 "ELIGIBLE TELECOMMUNICATIONS CARRIER." A CARRIER DESIGNATED  
11 BY THE PENNSYLVANIA PUBLIC UTILITY COMMISSION PURSUANT TO 47 CFR  
12 54.201 (RELATING TO DEFINITION OF ELIGIBLE TELECOMMUNICATIONS  
13 CARRIERS, GENERALLY) OR SUCCESSOR REGULATION, AS ELIGIBLE TO  
14 RECEIVE SUPPORT FROM THE FEDERAL UNIVERSAL SERVICE FUND.

15 "ELIGIBLE TELECOMMUNICATIONS CUSTOMER." A CUSTOMER OF AN  
16 ELIGIBLE TELECOMMUNICATIONS CARRIER WHO QUALIFIES FOR LIFELINE  
17 SERVICE DISCOUNTS PURSUANT TO THE REQUIREMENTS OF 47 CFR 54.409  
18 (RELATING TO CONSUMER QUALIFICATION FOR LIFELINE) OR SUCCESSOR  
19 REGULATION.

20 "FUND." THE ADVANCED SERVICES EDUCATION AND AGGREGATION FUND  
21 ESTABLISHED UNDER SECTION 3014 (RELATING TO NETWORK  
22 MODERNIZATION PLANS).

23 "GROSS DOMESTIC PRODUCT PRICE INDEX" OR "GDP-PI." THE GROSS  
24 DOMESTIC PRODUCT FIXED WEIGHT PRICE INDEX AS CALCULATED BY THE  
25 UNITED STATES DEPARTMENT OF COMMERCE.

26 "HEALTH CARE FACILITY." THE TERM SHALL HAVE THE SAME MEANING  
27 GIVEN TO IT IN THE ACT OF JULY 19, 1979 (P.L.130, NO.48), KNOWN  
28 AS THE HEALTH CARE FACILITIES ACT.

29 "INFLATION OFFSET." THE PART OF THE PRICE CHANGE FORMULA IN  
30 THE PRICE STABILITY MECHANISM THAT REFLECTS AN OFFSET TO THE

1 GROSS DOMESTIC PRODUCT PRICE INDEX.

2 "INTEREXCHANGE SERVICES." THE TRANSMISSION OF INTERLATA OR  
3 INTRALATA TOLL MESSAGES OR DATA OUTSIDE THE LOCAL CALLING AREA.

4 "INTEREXCHANGE TELECOMMUNICATIONS CARRIER." A CARRIER OTHER  
5 THAN A LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY AUTHORIZED BY  
6 THE COMMISSION TO PROVIDE INTEREXCHANGE SERVICES.

7 "LIFELINE SERVICE." A DISCOUNTED RATE LOCAL SERVICE  
8 OFFERING, AS DEFINED IN 47 CFR 54.401 (RELATING TO LIFELINE  
9 DEFINED) OR SUCCESSOR REGULATION, BUT EXCLUDING ANY OFFERING  
10 FUNDED IN PART BY FEDERAL UNIVERSAL SERVICE FUND TIER THREE  
11 FUNDING UNDER 47 CFR 54.403 (RELATING TO LIFELINE SUPPORT  
12 AMOUNT) OR SUCCESSOR REGULATION.

13 "LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY." AN INCUMBENT  
14 CARRIER AUTHORIZED BY THE COMMISSION TO PROVIDE LOCAL EXCHANGE  
15 TELECOMMUNICATIONS SERVICES. THE TERM INCLUDES A RURAL  
16 TELECOMMUNICATIONS CARRIER AND A NONRURAL TELECOMMUNICATIONS  
17 CARRIER.

18 "LOCAL EXCHANGE TELECOMMUNICATIONS SERVICE." THE  
19 TRANSMISSION OF MESSAGES OR COMMUNICATIONS THAT ORIGINATE AND  
20 TERMINATE WITHIN A PRESCRIBED LOCAL CALLING AREA.

21 "NONCOMPETITIVE SERVICE." A REGULATED SERVICE THAT IS NOT  
22 DECLARED COMPETITIVE AND, AS TO INTEREXCHANGE TELECOMMUNICATIONS  
23 CARRIERS, THOSE SERVICES INCLUDED IN SECTION 3018(A) (RELATING  
24 TO INTEREXCHANGE TELECOMMUNICATIONS CARRIERS).

25 "NONRURAL TELECOMMUNICATIONS CARRIER." A LOCAL EXCHANGE  
26 TELECOMMUNICATIONS COMPANY THAT IS NOT A RURAL TELEPHONE COMPANY  
27 AS DEFINED IN SECTION 3 OF THE TELECOMMUNICATIONS ACT OF 1996  
28 (PUBLIC LAW 104-104, 110 STAT. 56).

29 "OPTIONAL CALLING PLAN." A DISCOUNTED TOLL PLAN OFFERED BY  
30 EITHER A LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY OR AN

1 INTEREXCHANGE TELECOMMUNICATIONS CARRIER.

2 "PRICE STABILITY MECHANISM." A FORMULA WHICH MAY BE INCLUDED  
3 IN A COMMISSION-APPROVED ALTERNATIVE FORM OF REGULATION PLAN  
4 THAT PERMITS RATES FOR NONCOMPETITIVE SERVICES TO BE ADJUSTED  
5 UPWARD OR DOWNWARD.

6 "PROTECTED SERVICE." THE FOLLOWING TELECOMMUNICATIONS  
7 SERVICES PROVIDED BY A LOCAL EXCHANGE TELECOMMUNICATIONS  
8 COMPANY, UNLESS THE COMMISSION DETERMINES THAT SUCH SERVICE IS  
9 COMPETITIVE:

10 (1) SERVICE PROVIDED TO RESIDENTIAL CONSUMERS OR SMALL  
11 BUSINESS CONSUMERS SUBSCRIBING TO FOUR OR FEWER ACCESS LINES  
12 ONLY TO THE EXTENT THAT THE SERVICE IS NECESSARY FOR  
13 COMPLETING ANY LOCAL EXCHANGE CALL FOR WHICH DIAL TONE IS  
14 NECESSARY.

15 (2) TOUCH-TONE SERVICE.

16 (3) SWITCHED ACCESS SERVICE.

17 (4) SPECIAL ACCESS SERVICE.

18 (5) ORDERING, INSTALLATION, RESTORATION AND  
19 DISCONNECTION OF THE SERVICES SPECIFIED IN PARAGRAPHS (1)  
20 THROUGH (4).

21 "REMOTE TERMINAL." A STRUCTURE LOCATED OUTSIDE OF A CENTRAL  
22 OFFICE WHICH HOUSES ELECTRONIC EQUIPMENT AND WHICH PROVIDES  
23 TRANSPORT FOR TELECOMMUNICATIONS SERVICES TO AND FROM A CENTRAL  
24 OFFICE SWITCH.

25 "RURAL TELECOMMUNICATIONS CARRIER." A LOCAL EXCHANGE  
26 TELECOMMUNICATIONS COMPANY THAT IS A RURAL TELEPHONE COMPANY AS  
27 DEFINED IN SECTION 3 OF THE TELECOMMUNICATIONS ACT OF 1996  
28 (PUBLIC LAW 104-104, 110 STAT. 56).

29 "SMALL BUSINESS." A BUSINESS CONSUMER THAT SUBSCRIBES TO  
30 FOUR OR FEWER ACCESS LINES.

1       "SPECIAL ACCESS SERVICE." SERVICE PROVIDED OVER DEDICATED,  
2       NONSWITCHED FACILITIES BY LOCAL EXCHANGE TELECOMMUNICATIONS  
3       COMPANIES TO INTEREXCHANGE CARRIERS OR OTHER LARGE VOLUME USERS  
4       WHICH PROVIDE CONNECTION BETWEEN AN INTEREXCHANGE CARRIER OR  
5       PRIVATE NETWORK AND A CUSTOMER'S PREMISES.

6       "SWITCHED ACCESS SERVICE." A SERVICE WHICH PROVIDES FOR THE  
7       USE OF COMMON TERMINATING, SWITCHING AND TRUNKING FACILITIES OF  
8       A LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY'S PUBLIC SWITCHED  
9       NETWORK. THE TERM INCLUDES, BUT IS NOT LIMITED TO, THE RATES FOR  
10       LOCAL SWITCHING, COMMON AND DEDICATED TRANSPORT AND THE CARRIER  
11       CHARGE.

12       "TELECOMMUNICATIONS ACT OF 1996." THE TELECOMMUNICATIONS ACT  
13       OF 1996 (PUBLIC LAW 104-104, 110 STAT. 56).

14       "TELECOMMUNICATIONS CARRIER." AN ENTITY THAT PROVIDES  
15       TELECOMMUNICATIONS SERVICES SUBJECT TO THE JURISDICTION OF THE  
16       COMMISSION.

17       "TELECOMMUNICATIONS SERVICE." THE OFFERING OF THE  
18       TRANSMISSION OF MESSAGES OR COMMUNICATIONS FOR A FEE TO THE  
19       PUBLIC.

20       "VOICE OVER INTERNET PROTOCOL" OR "VOIP." THE PROVISION OF  
21       VOICE COMMUNICATIONS AND RELATED FEATURES AND FUNCTIONS BY MEANS  
22       OF ENCODING VOICE AND RELATED SIGNALS INTO PACKETIZED FORM AND  
23       TRANSMISSION OF THOSE PACKETS USING INTERNET PROTOCOL OR ANY  
24       SUCCESSOR PROTOCOL FOR SOME OR ALL OF THE TRANSMISSION.

25       § 3013. CONTINUATION OF COMMISSION-APPROVED ALTERNATIVE  
26       REGULATION AND NETWORK MODERNIZATION PLANS.

27       (A) GENERAL RULE.--AN ALTERNATIVE FORM OF REGULATION PLAN  
28       AND NETWORK MODERNIZATION PLAN APPROVED BY THE COMMISSION FOR A  
29       LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY AS OF DECEMBER 31,  
30       2003 SHALL REMAIN VALID AND EFFECTIVE, EXCEPT AS MAY BE AMENDED



1 AT THE ELECTION OF THE LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY  
2 AS AUTHORIZED BY THIS CHAPTER. THE COMMISSION SHALL ALLOW A  
3 PREVIOUSLY APPROVED PLAN TO BE AMENDED TO CONFORM TO ANY CHANGES  
4 MADE UNDER THIS CHAPTER, AND SHALL NOT REQUIRE ANY OTHER CHANGES  
5 TO THE PLAN.

6 (B) LIMITATION ON CHANGES TO PLANS.--EXCEPT FOR CHANGES TO  
7 EXISTING ALTERNATIVE FORM OF REGULATION AND NETWORK  
8 MODERNIZATION PLANS AS AUTHORIZED BY THIS CHAPTER, NO CHANGE TO  
9 ANY ALTERNATIVE FORM OF REGULATION OR NETWORK MODERNIZATION PLAN  
10 MAY BE MADE WITHOUT THE EXPRESS AGREEMENT OF BOTH THE COMMISSION  
11 AND THE LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY.

12 (C) GRANDFATHER PROVISION.--ALL SERVICES PREVIOUSLY DECLARED  
13 COMPETITIVE AS OF DECEMBER 31, 2003, UNDER A LOCAL EXCHANGE  
14 TELECOMMUNICATIONS COMPANY'S ALTERNATIVE FORM OF REGULATION PLAN  
15 SHALL REMAIN COMPETITIVE.

16 (D) COMMISSION OVERSIGHT.--THE COMMISSION WILL CONTINUE TO  
17 EXERCISE OVERSIGHT OF ALTERNATIVE FORM OF REGULATION AND NETWORK  
18 MODERNIZATION PLANS FOR LOCAL EXCHANGE TELECOMMUNICATIONS  
19 COMPANIES AS PROVIDED IN THIS CHAPTER.

20 § 3014. NETWORK MODERNIZATION PLANS.

21 (A) CONTINUATION OF APPROVED PLAN.--A LOCAL EXCHANGE  
22 TELECOMMUNICATIONS COMPANY THAT DOES NOT ELECT AN OPTION UNDER  
23 SUBSECTION (B) SHALL REMAIN SUBJECT TO ITS NETWORK MODERNIZATION  
24 PLAN IN EFFECT AS OF DECEMBER 31, 2003, WITHOUT REVISION OR  
25 MODIFICATION EXCEPT BY AGREEMENT UNDER SECTION 3013(B) (RELATING  
26 TO CONTINUATION OF COMMISSION-APPROVED ALTERNATIVE REGULATION  
27 AND NETWORK MODERNIZATION PLANS) AND AS PROVIDED IN THIS  
28 SECTION, THROUGH DECEMBER 31, 2015.

29 (B) OPTIONS FOR AMENDMENT OF NETWORK MODERNIZATION PLAN.--  
30 LOCAL EXCHANGE TELECOMMUNICATIONS COMPANIES SHALL HAVE THE

1 FOLLOWING OPTIONS:

2 (1) (I) A RURAL TELECOMMUNICATIONS CARRIER THAT ELECTS  
3 TO AMEND ITS NETWORK MODERNIZATION PLAN PURSUANT TO THIS  
4 SUBSECTION SHALL REMAIN SUBJECT TO THE CARRIER'S NETWORK  
5 MODERNIZATION PLAN IN EFFECT AS OF DECEMBER 31, 2003, AS  
6 AMENDED PURSUANT TO THIS SUBSECTION, THROUGH DECEMBER 31,  
7 2008. PRIOR TO IMPLEMENTATION OF SUCH ELECTION, THE RURAL  
8 TELECOMMUNICATIONS CARRIER SHALL COMPLY WITH THE  
9 NOTIFICATION REQUIREMENTS OF SUBSECTION (D).

10 (II) THE RURAL TELECOMMUNICATIONS CARRIER SHALL  
11 COMMIT TO ACCELERATE 100% BROADBAND AVAILABILITY BY  
12 DECEMBER 31, 2008, IN ITS AMENDED NETWORK MODERNIZATION  
13 PLAN. ANY RURAL TELECOMMUNICATIONS CARRIER ELECTING THIS  
14 OPTION SHALL NOT BE REQUIRED TO OFFER A BONA FIDE RETAIL  
15 REQUEST PROGRAM.

16 (2) (I) A RURAL TELECOMMUNICATIONS CARRIER THAT ELECTS  
17 TO AMEND ITS NETWORK MODERNIZATION PLAN PURSUANT TO THIS  
18 SUBSECTION SHALL REMAIN SUBJECT TO THE CARRIER'S NETWORK  
19 MODERNIZATION PLAN IN EFFECT AS OF DECEMBER 31, 2003, AS  
20 AMENDED PURSUANT TO THIS SUBSECTION, THROUGH DECEMBER 31,  
21 2010. PRIOR TO IMPLEMENTATION OF SUCH ELECTION, THE RURAL  
22 TELECOMMUNICATIONS CARRIER SHALL COMPLY WITH THE  
23 NOTIFICATION REQUIREMENTS OF SUBSECTION (D).

24 (II) THE RURAL TELECOMMUNICATIONS CARRIER SHALL  
25 COMMIT:

26 (A) TO ACCELERATE BROADBAND AVAILABILITY TO AT  
27 LEAST 80% OF ITS TOTAL RETAIL ACCESS LINES IN ITS  
28 DISTRIBUTION NETWORK BY DECEMBER 31, 2010, AND MAY  
29 ALSO COMMIT TO FURTHER DEPLOYMENT BY 2015 AS SET  
30 FORTH IN SECTION 3015(A) (RELATING TO ALTERNATIVE

1           FORMS OF REGULATION); AND

2                   (B) TO OFFER A BONA FIDE RETAIL REQUEST PROGRAM

3                   PURSUANT TO SUBSECTION (C).

4           UNDER NO CIRCUMSTANCES MAY THE RURAL TELECOMMUNICATIONS

5           CARRIER REDUCE ITS EXISTING BROADBAND AVAILABILITY

6           COMMITMENT.

7           (3) (I) A LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY

8           THAT ELECTS TO AMEND ITS NETWORK MODERNIZATION PLAN

9           PURSUANT TO THIS SUBSECTION SHALL REMAIN SUBJECT TO SUCH

10           COMPANY'S NETWORK MODERNIZATION PLAN IN EFFECT AS OF

11           DECEMBER 31, 2003, AS AMENDED PURSUANT TO THIS

12           SUBSECTION, INCLUDING MEETING ITS 100% BROADBAND

13           AVAILABILITY COMMITMENT. PRIOR TO IMPLEMENTATION OF SUCH

14           ELECTION, THE LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY

15           SHALL COMPLY WITH THE NOTIFICATION REQUIREMENTS OF

16           SUBSECTION (D).

17           (II) THE LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY

18           SHALL COMMIT:

19                   (A) TO PROVIDE BROADBAND AVAILABILITY TO 100% OF

20                   ITS TOTAL RETAIL ACCESS LINES IN ITS DISTRIBUTION

21                   NETWORK BY DECEMBER 31, 2013 OR DECEMBER 31, 2015;

22                   AND

23                   (B) TO OFFER A BONA FIDE RETAIL REQUEST PROGRAM

24                   PURSUANT TO SUBSECTION (C).

25           UNDER NO CIRCUMSTANCES MAY SUCH LOCAL EXCHANGE

26           TELECOMMUNICATIONS COMPANY REDUCE ITS EXISTING BROADBAND

27           AVAILABILITY COMMITMENT.

28           (4) A LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY THAT

29           ELECTS UNDER PARAGRAPH (1), (2) OR (3) SHALL ALSO COMMIT TO

30           UNIVERSAL BROADBAND DEPLOYMENT IN OR ADJACENT TO PUBLIC

1 RIGHTS-OF-WAY ABUTTING ALL PUBLIC SCHOOLS, INCLUDING THE  
2 ADMINISTRATION OFFICES SUPPORTING PUBLIC SCHOOLS, INDUSTRIAL  
3 PARKS AND HEALTH CARE FACILITIES IN ITS SERVICE TERRITORY ON  
4 OR BEFORE DECEMBER 31, 2004, EXCEPT THAT A LOCAL EXCHANGE  
5 TELECOMMUNICATIONS COMPANY SERVING MORE THAN TEN EXCHANGES IN  
6 THIS COMMONWEALTH MAY ELECT TO EXTEND THIS COMMITMENT FROM  
7 DECEMBER 31, 2004, TO DECEMBER 31, 2005, FOR ANY EXCHANGE  
8 WITH LESS THAN 4,000 ACCESS LINES.

9 (5) A LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY THAT  
10 ELECTS UNDER PARAGRAPH (1), (2) OR (3) MAY AMEND ITS NETWORK  
11 MODERNIZATION PLAN TO DEFINE "UNIVERSAL BROADBAND  
12 AVAILABILITY" AS THE PROVISION OF BROADBAND CAPABILITY WITHIN  
13 TEN BUSINESS DAYS OF NOTICE TO THE COMPANY OF THE REQUEST BY  
14 A BONA FIDE CUSTOMER. IF A LOCAL EXCHANGE TELECOMMUNICATIONS  
15 COMPANY DOES NOT ELECT UNDER PARAGRAPH (1), (2) OR (3), THEN  
16 THE PROVISIONING INTERVAL SHALL REMAIN AND BE WITHIN FIVE  
17 BUSINESS DAYS AFTER A REQUEST FOR BROADBAND SERVICE IS  
18 RECEIVED, AS STATED IN THE COMPANY'S CURRENTLY EFFECTIVE  
19 NETWORK MODERNIZATION PLAN. THE AMENDED NETWORK MODERNIZATION  
20 PLAN MAY ALSO BE MODIFIED TO REMOVE ANY INTERIM COMMITMENTS  
21 CONTAINED IN THE NETWORK MODERNIZATION PLAN IN EFFECT AS OF  
22 DECEMBER 31, 2003, OR AS LATER MODIFIED.

23 (6) A LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY THAT  
24 ELECTS UNDER PARAGRAPH (1), (2) OR (3) MAY SUBSEQUENTLY  
25 PETITION THE COMMISSION FOR FURTHER MODIFICATION OF ITS  
26 AMENDED NETWORK MODERNIZATION PLAN, WHICH THE COMMISSION MAY  
27 GRANT UPON GOOD CAUSE SHOWN.

28 (7) A RURAL TELECOMMUNICATIONS CARRIER MAKING AN  
29 ELECTION PURSUANT TO PARAGRAPH (1), (2) OR (3) AND FILING ITS  
30 AMENDED NETWORK MODERNIZATION PLAN WITH THE COMMISSION

1 PURSUANT TO SUBSECTION (D) SHALL BE GRANTED BY THE COMMISSION  
2 A SUSPENSION OF ITS SECTION 251(C)(2), (3), (4), (5) AND (6)  
3 OBLIGATIONS UNDER THE TELECOMMUNICATIONS ACT OF 1996. THIS  
4 SUSPENSION OF OBLIGATIONS SHALL EXPIRE ON DECEMBER 31, 2010,  
5 UNLESS EXTENDED BY THE COMMISSION. SHOULD THE COMMISSION,  
6 FOLLOWING A HEARING, DETERMINE THAT THE RURAL  
7 TELECOMMUNICATIONS CARRIER HAS FAILED TO TIMELY MEET ITS  
8 COMMITMENTS PURSUANT TO THIS PARAGRAPH THE SUSPENSION OF  
9 OBLIGATIONS SHALL EXPIRE UPON ENTRY OF THE COMMISSION ORDER  
10 MAKING SUCH DETERMINATION. EXPIRATION OF THE SUSPENSION OF  
11 OBLIGATIONS SHALL NOT IMPACT THE RURAL TELEPHONE COMPANY  
12 EXEMPTION OF THE RURAL TELECOMMUNICATIONS CARRIER UNDER  
13 SECTION 251(F)(1) OF THE TELECOMMUNICATIONS ACT OF 1996.

14 (8) A LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY MAY  
15 ACCELERATE ITS BROADBAND AVAILABILITY COMMITMENT BY ELECTING  
16 AN ADDITIONAL OPTION PURSUANT TO PARAGRAPH (1), (2) OR (3),  
17 AS APPLICABLE, AT A LATER DATE. THE LOCAL EXCHANGE  
18 TELECOMMUNICATIONS COMPANY SHALL BE SUBJECT TO THE APPLICABLE  
19 MODIFIED INFLATION OFFSET IN ITS PRICE STABILITY MECHANISM AS  
20 SET FORTH IN SECTION 3015(A)(1), EFFECTIVE UPON THE FILING OF  
21 AN AMENDED NETWORK MODERNIZATION PLAN UNDER SUBSECTION (D).

22 (C) BONA FIDE RETAIL REQUEST PROGRAM.--A LOCAL EXCHANGE  
23 TELECOMMUNICATIONS COMPANY THAT ELECTS TO AMEND ITS NETWORK  
24 MODERNIZATION PLAN PURSUANT TO SUBSECTION (B)(1), (2) OR (3)  
25 SHALL NOTIFY THE COMMISSION NO LATER THAN ONE YEAR AFTER THE  
26 EFFECTIVE DATE OF ITS ELECTION THAT IT IS IMPLEMENTING A BONA  
27 FIDE RETAIL REQUEST PROGRAM WHICH SHALL CONTINUE THROUGH  
28 DECEMBER 31, 2015, OR SUCH EARLIER DATE AS THE LOCAL  
29 TELECOMMUNICATIONS COMPANY ACHIEVES 100% BROADBAND AVAILABILITY  
30 THROUGHOUT ITS SERVICE TERRITORY. A BONA FIDE RETAIL REQUEST

1 PROGRAM SHALL CONSIST OF THE FOLLOWING:

2 (1) PERSONS OR ENTITIES SEEKING ADVANCED SERVICES  
3 PURSUANT TO A BONA FIDE RETAIL REQUEST PROGRAM SHALL SUBMIT A  
4 WRITTEN REQUEST FOR SUCH SERVICES TO THE LOCAL EXCHANGE  
5 TELECOMMUNICATIONS COMPANY. THE WRITTEN REQUEST MAY BE IN THE  
6 FORM OF A PETITION WHICH INCLUDES THE INFORMATION REQUIRED BY  
7 THIS PARAGRAPH OR IN THE FORM OF INDIVIDUAL REQUESTS EACH OF  
8 WHICH INCLUDES THE INFORMATION REQUIRED BY THIS PARAGRAPH. IF  
9 INDIVIDUAL REQUESTS ARE RECEIVED, THE LOCAL EXCHANGE  
10 TELECOMMUNICATIONS COMPANY SHALL AGGREGATE REQUESTS FOR THE  
11 SAME OR COMPARABLE SERVICE AND INITIATE APPROPRIATE ACTION  
12 PURSUANT TO THIS SUBSECTION WHEN THE REQUIRED NUMBER OF  
13 REQUESTS HAVE BEEN RECEIVED. TO BE CONSIDERED A BONA FIDE  
14 RETAIL REQUEST, THE WRITTEN REQUEST MUST INCLUDE:

15 (I) A REQUEST THAT A MINIMUM OF 50 RETAIL ACCESS  
16 LINES BE PROVIDED THE SAME OR COMPARABLE ADVANCED SERVICE  
17 WITHIN A COMMUNITY OR A REQUEST THAT 25% OF RETAIL ACCESS  
18 LINES BE PROVIDED THE SAME OR COMPARABLE ADVANCED SERVICE  
19 WITHIN A COMMUNITY, WHICHEVER IS LESS;

20 (II) THE NAME, ADDRESS, TELEPHONE NUMBER AND  
21 SIGNATURE OF EACH EXISTING RETAIL CUSTOMER SEEKING THE  
22 ADVANCED SERVICE, THE ADVANCED SERVICE BEING REQUESTED,  
23 THE NUMBER OF ACCESS LINES FOR WHICH THE ADVANCED SERVICE  
24 IS REQUESTED, A COMMITMENT BY EACH RETAIL CUSTOMER WHO  
25 SIGNS THE REQUEST TO SUBSCRIBE TO THE REQUESTED ADVANCED  
26 SERVICE FOR A MINIMUM OF ONE YEAR AT THE LOCAL EXCHANGE  
27 TELECOMMUNICATIONS COMPANY'S APPLICABLE RATE FOR THE  
28 SERVICE; AND

29 (III) THE NAME, ADDRESS AND TELEPHONE NUMBER OF A  
30 DESIGNATED CONTACT PERSON.

1 CUSTOMERS MAKING THE REQUEST SHALL AGREE TO TAKE THE SERVICE  
2 FOR A ONE-YEAR PERIOD, BUT SHALL NOT BE REQUIRED TO MAKE SUCH  
3 A COMMITMENT UNTIL THE PRICE AND TERMS OF THE SERVICE ARE  
4 SPECIFIED BY THE LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY  
5 AND SHALL NOT BE REQUIRED TO MAKE ANY PAYMENTS UNTIL THE  
6 SERVICE IS ACTUALLY PROVIDED.

7 (2) IN ADMINISTERING THE BONA FIDE RETAIL REQUEST  
8 PROGRAM, THE LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY SHALL:

9 (I) ESTABLISH A WORLD WIDE WEB SITE AND TOLL-FREE  
10 TELEPHONE NUMBER TO ADDRESS CUSTOMER INQUIRIES REGARDING  
11 THE PROGRAM;

12 (II) MAIL A REQUEST FORM TO A CUSTOMER UPON REQUEST;

13 (III) CONFIRM ITS RECEIPT OF ANY COMPLETED REQUEST  
14 IN WRITING TO THE CUSTOMER; SUCH CONFIRMATION TO IDENTIFY  
15 THE SERVICE REQUESTED, THE APPLICABLE RATE, THE EXPECTED  
16 CONTRACT TERM, THE STATUS OF THE REQUEST AND A TERM  
17 SUBSCRIPTION AGREEMENT FOR EXECUTION; AND

18 (IV) NOTIFY THE CUSTOMERS IN A COMMUNITY, WITHIN 45  
19 DAYS, OF THE EXPECTED IMPLEMENTATION DATE ONCE THE  
20 REQUISITE NUMBER OF REQUESTS HAS BEEN RECEIVED AND THE  
21 EXPECTED DATE OF THE AVAILABILITY OF SERVICE.

22 (3) WHEN A BONA FIDE RETAIL REQUEST HAS BEEN RECEIVED  
23 THAT MEETS THE REQUIREMENTS OF PARAGRAPH (1), THE LOCAL  
24 EXCHANGE TELECOMMUNICATIONS COMPANY SHALL PROVIDE THE  
25 REQUESTED ADVANCED SERVICE OR OTHER REASONABLY COMPARABLE  
26 SERVICE THAT MEETS THE DATA SPEED OF THE REQUESTED SERVICE TO  
27 THE COMMUNITY AS SOON AS PRACTICABLE, BUT IN NO EVENT LATER  
28 THAN 365 DAYS OF THE DATE THE REQUIREMENTS OF PARAGRAPH (1)  
29 HAVE BEEN MET OR WITHIN THE PERIOD APPROVED BY THE COMMISSION  
30 UNDER PARAGRAPH (4) WHERE:

1           (I) THE LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY  
2           PROVIDES THE REQUESTED ADVANCED SERVICE TO OTHER  
3           CUSTOMERS IN ITS SERVICE TERRITORY;

4           (II) THERE IS NO ADVANCED SERVICE USING ANY  
5           TECHNOLOGY AVAILABLE TO THE REQUESTING CUSTOMERS THAT  
6           OFFERS DATA SPEEDS REASONABLY COMPARABLE TO THAT  
7           REQUESTED; AND

8           (III) THE COMMUNITY IS SITUATED WITHIN THE SERVICE  
9           TERRITORY OF THE LOCAL EXCHANGE TELECOMMUNICATIONS  
10          COMPANY.

11          (4) WHERE THE TOTAL NUMBER OF BONA FIDE RETAIL REQUESTS  
12          RECEIVED BY ANY LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY OR  
13          AFFILIATED COMPANIES THAT MEET THE REQUIREMENTS OF PARAGRAPHS  
14          (1) AND (3) EXCEED 40 CUSTOMERS IN ANY 12-MONTH PERIOD, OR  
15          WHERE THERE ARE MORE THAN 20 SUCH REQUESTS THAT REQUIRE  
16          PROPERTY ACQUISITION, INCLUDING ACQUIRING RIGHTS-OF-WAY, OR  
17          NEW CONSTRUCTION IN ANY 12-MONTH PERIOD, THE LOCAL EXCHANGE  
18          TELECOMMUNICATIONS COMPANY OR COMPANIES MAY PROVIDE A  
19          VERIFIED CERTIFICATION TO THE COMMISSION THAT ONE OR BOTH OF  
20          THE PREVIOUSLY STATED CRITERIA ARE MET. UPON RECEIPT OF THE  
21          CERTIFICATION, THE COMMISSION, OR THE COMMISSION THROUGH ITS  
22          DESIGNATED STAFF, SHALL PERMIT THE LOCAL EXCHANGE  
23          TELECOMMUNICATIONS COMPANY OR COMPANIES TO EXTEND THE TIME  
24          FOR SUCH DEPLOYMENTS FOR A PERIOD OF NO MORE THAN 12 MONTHS,  
25          UNLESS THE COMMISSION DETERMINES AN ADDITIONAL TIME PERIOD TO  
26          BE JUST AND REASONABLE.

27          (5) WITH REGARD TO REQUESTS SUBMITTED UNDER THIS  
28          SUBSECTION, A RETAIL CUSTOMER MAY CHALLENGE THE ACTION OF A  
29          LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY PURSUANT TO SECTION  
30          701 (RELATING TO COMPLAINTS).



1           (6) LOCAL EXCHANGE TELECOMMUNICATIONS COMPANIES WITH  
2           BONA FIDE RETAIL REQUEST PROGRAMS SHALL PROVIDE SEMIANNUAL  
3           REPORTS TO THE COMMISSION OF THE NUMBER OF REQUESTS FOR  
4           ADVANCED SERVICES RECEIVED DURING THE REPORTING PERIOD BY  
5           EXCHANGE AND THE ACTION TAKEN ON REQUESTS MEETING THE  
6           REQUIREMENTS OF SUBSECTION (C). LOCAL EXCHANGE  
7           TELECOMMUNICATIONS COMPANIES, WITHIN 30 DAYS AFTER INITIATING  
8           A BONA FIDE RETAIL REQUEST PROGRAM, SHALL ALSO PROVIDE THE  
9           COMMISSION WITH THE FORM OF ANY ADVANCED SERVICES TERM  
10           SUBSCRIPTION AGREEMENTS CUSTOMERS WILL BE REQUIRED TO EXECUTE  
11           IN CONNECTION WITH RECEIVING THE REQUESTED SERVICES.

12           (D) NOTICE AND FILING OF AMENDMENTS.--A LOCAL EXCHANGE  
13           TELECOMMUNICATIONS COMPANY THAT ELECTS TO AMEND ITS NETWORK  
14           MODERNIZATION PLAN PURSUANT TO SUBSECTION (B) SHALL NOTIFY THE  
15           COMMISSION IN WRITING OF SUCH ELECTION AND, WITHIN 60 DAYS  
16           FOLLOWING SUCH NOTIFICATION, FILE ITS AMENDED NETWORK  
17           MODERNIZATION PLAN WITH THE COMMISSION. COPIES OF THE WRITTEN  
18           NOTICE OF ELECTION AND OF THE AMENDED NETWORK MODERNIZATION PLAN  
19           SHALL BE SERVED BY THE LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY  
20           ON THE OFFICE OF CONSUMER ADVOCATE AND THE OFFICE OF SMALL  
21           BUSINESS ADVOCATE. CONCURRENT WITH THE FILING OF THE AMENDED  
22           PLAN WITH THE COMMISSION, THE LOCAL EXCHANGE TELECOMMUNICATIONS  
23           COMPANY SHALL PUBLISH NOTICE OF SUCH FILING IN A NEWSPAPER OR  
24           NEWSPAPERS OF GENERAL CIRCULATION IN ITS SERVICE TERRITORY OR BY  
25           BILL MESSAGE OR INSERT. THE AMENDED NETWORK MODERNIZATION PLAN  
26           SHALL BECOME EFFECTIVE UPON FILING WITH THE COMMISSION.

27           (E) NETWORK MODERNIZATION PLAN REPORT.--

28           (1) A LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY THAT  
29           FILES AN AMENDED NETWORK MODERNIZATION PLAN WITH THE  
30           COMMISSION SHALL ALSO FILE WITH THE COMMISSION A REPORT ON

1 ITS PROVISION OF BROADBAND AVAILABILITY. THE FIRST REPORT  
2 SHALL BE FILED NO LATER THAN APRIL 30, 2004, AND SHALL BE  
3 BASED UPON THE 12 MONTHS ENDING DECEMBER 31, 2003.  
4 THEREAFTER, REPORTS SHALL BE FILED BIENNIALLY NO LATER THAN  
5 APRIL 30. TO THE EXTENT APPLICABLE TO THE LOCAL EXCHANGE  
6 TELECOMMUNICATIONS COMPANY'S AMENDED NETWORK MODERNIZATION  
7 PLAN, REPORTS SHALL BE LIMITED TO:

8 (I) THE STATUS OF BROADBAND DEPLOYMENT IN OR  
9 ADJACENT TO PUBLIC RIGHTS-OF-WAY ABUTTING ALL PUBLIC  
10 SCHOOLS, INCLUDING THE ADMINISTRATION OFFICES SUPPORTING  
11 PUBLIC SCHOOLS, INDUSTRIAL PARKS AND HEALTH CARE  
12 FACILITIES.

13 (II) THE PERCENTAGE OF ACCESS LINES WITH BROADBAND  
14 AVAILABILITY FROM THE LOCAL EXCHANGE TELECOMMUNICATIONS  
15 COMPANY.

16 (III) THE NUMBER OF WRITTEN BONA FIDE RETAIL  
17 REQUESTS RECEIVED BY EXCHANGE.

18 (IV) A GENERAL DESCRIPTION OF ANY TECHNOLOGIES OR  
19 MEDIA UTILIZED BY THE LOCAL EXCHANGE TELECOMMUNICATIONS  
20 COMPANY TO OFFER OR PROVIDE ADVANCED SERVICES AND  
21 BROADBAND AVAILABILITY.

22 (2) (I) THE REPORT SHALL BE SUBMITTED IN THE FORM  
23 DETERMINED BY THE COMMISSION. SHOULD THE COMMISSION  
24 REQUEST ANY ADDITIONAL NETWORK REPORTS OR INFORMATION, A  
25 LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY MAY OPPOSE SUCH  
26 REQUIREMENT, BY PETITION, ON THE GROUNDS THAT THE REPORT  
27 OR INFORMATION WILL BE DETRIMENTAL TO THE SECURITY OF ITS  
28 NETWORK OR THAT THE BENEFITS OF THE REPORT WILL NOT  
29 EXCEED THE ATTENDANT EXPENSE OR ADMINISTRATIVE TIME  
30 REQUIREMENTS ASSOCIATED THEREWITH. THE COMMISSION SHALL

1           GRANT THE PETITION UPON SUCH SHOWING BY THE LOCAL  
2           EXCHANGE TELECOMMUNICATIONS COMPANY.

3           (II) NOTHING IN THIS PARAGRAPH SHALL BE CONSTRUED TO  
4           IMPEDE THE ABILITY OF THE COMMISSION TO REQUIRE THE  
5           SUBMISSION OF FURTHER INFORMATION TO SUPPORT THE ACCURACY  
6           OF OR TO SEEK AN EXPLANATION OF THE REPORTS SPECIFIED IN  
7           THIS SUBSECTION.

8           (III) UNDER NO CIRCUMSTANCES SHALL THE COMMISSION  
9           COMPEL THE PUBLIC RELEASE OF MAPS OR OTHER INFORMATION  
10           DESCRIBING THE ACTUAL LOCATION OF A LOCAL EXCHANGE  
11           COMMUNICATIONS COMPANY'S FACILITIES.

12       (F) ASSISTANCE TO POLITICAL SUBDIVISIONS.--

13           (1) IN AN EFFORT TO ASSIST POLITICAL SUBDIVISIONS WITH  
14           ECONOMIC REVITALIZATION PROJECTS, A LOCAL EXCHANGE  
15           TELECOMMUNICATIONS COMPANY SHALL COMMIT, IN ITS MODIFIED  
16           ALTERNATIVE FORM OF REGULATION PLAN AND ITS NETWORK  
17           MODERNIZATION PLAN, TO MAKE TECHNICAL ASSISTANCE FOR SUCH  
18           PROJECTS AVAILABLE TO POLITICAL SUBDIVISIONS LOCATED IN ITS  
19           SERVICE TERRITORY IN PURSUING THE DEPLOYMENT OF ADDITIONAL  
20           TELECOMMUNICATIONS INFRASTRUCTURE OR SERVICES BY THE LOCAL  
21           EXCHANGE TELECOMMUNICATIONS COMPANY.

22           (2) (I) EXCEPT AS OTHERWISE PROVIDED FOR UNDER  
23           SUBPARAGRAPH (II), A POLITICAL SUBDIVISION OR ANY ENTITY  
24           ESTABLISHED BY A POLITICAL SUBDIVISION, INCLUDING A  
25           MUNICIPAL AUTHORITY, MAY NOT PROVIDE ANY  
26           TELECOMMUNICATIONS SERVICES TO THE PUBLIC FOR  
27           COMPENSATION WITHIN THE SERVICE TERRITORY OF A LOCAL  
28           EXCHANGE TELECOMMUNICATIONS COMPANY OPERATING UNDER A  
29           NETWORK MODERNIZATION PLAN.

30           (II) A POLITICAL SUBDIVISION MAY OFFER ADVANCED OR

1 BROADBAND SERVICES IF THE POLITICAL SUBDIVISION HAS  
2 SUBMITTED A WRITTEN REQUEST FOR THE PROVISION OF SUCH  
3 SERVICE TO THE LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY  
4 SERVING THE AREA AND, WITHIN SIX MONTHS OF THE REQUEST,  
5 THE LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY HAS NOT  
6 AGREED TO PROVIDE THE DATA SPEEDS REQUESTED. IF THE LOCAL  
7 EXCHANGE TELECOMMUNICATIONS COMPANY AGREES TO PROVIDE THE  
8 DATA SPEEDS REQUESTED, THEN IT MUST DO SO WITHIN 18  
9 MONTHS OF THE REQUEST.

10 (3) THE PROHIBITION IN PARAGRAPH (2) SHALL NOT BE  
11 CONSTRUED TO PRECLUDE THE CONTINUED PROVISION OF ANY  
12 MUNICIPALLY PROVIDED TELECOMMUNICATIONS SERVICES OF THE SAME  
13 TYPE AND SCOPE AS WERE BEING PROVIDED ON THE EFFECTIVE DATE  
14 OF THIS SECTION.

15 (G) ADVANCED SERVICES EDUCATION AND AGGREGATION FUND.--

16 (1) THE ADVANCED SERVICES EDUCATION AND AGGREGATION FUND  
17 IS ESTABLISHED AS A SEPARATE FUND IN THE STATE TREASURY AND  
18 SHALL BE FUNDED BY THE PAYMENTS THAT MAY BE REQUIRED UNDER  
19 SECTION 3015(C) (RELATING TO ALTERNATIVE FORMS OF  
20 REGULATION).

21 (2) THE DEPARTMENT SHALL AUTHORIZE EXPENDITURES FROM THE  
22 FUND FOR TWO PURPOSES:

23 (I) EDUCATIONAL OUTREACH PROGRAMS FOR POLITICAL  
24 SUBDIVISIONS, ECONOMIC DEVELOPMENT ENTITIES, PUBLIC  
25 SCHOOLS, HEALTH CARE FACILITIES AND BUSINESSES AND FOR  
26 RESIDENTIAL CUSTOMERS CONCERNING THE BENEFITS, USE AND  
27 PROCUREMENT OF ADVANCED SERVICES AND BROADBAND  
28 TELECOMMUNICATION SERVICES FROM LOCAL EXCHANGE  
29 TELECOMMUNICATIONS COMPANIES; AND

30 (II) SEED GRANTS TO AGGREGATE CUSTOMER DEMAND FOR

1           ADVANCED SERVICES OR BROADBAND IN COMMUNITIES WITHOUT  
2           SUCH SERVICES AND PERMIT CUSTOMERS IN SUCH COMMUNITIES TO  
3           REQUEST SUCH SERVICES UNDER A LOCAL EXCHANGE  
4           TELECOMMUNICATIONS COMPANY BONA FIDE RETAIL REQUEST  
5           PROGRAM.

6           (3) THE FUND SHALL CONTINUE UNTIL DECEMBER 31, 2015, AT  
7           WHICH TIME THE DEPARTMENT SHALL TERMINATE THE FUND AND RETURN  
8           THE REMAINING FUNDS ON A PRO RATA BASIS TO THE LOCAL EXCHANGE  
9           TELECOMMUNICATIONS COMPANIES THAT CONTRIBUTED TO THE FUND.

10          (H) BALANCED DEPLOYMENT.--A LOCAL EXCHANGE  
11          TELECOMMUNICATIONS COMPANY SHALL REASONABLY BALANCE DEPLOYMENT  
12          OF ITS BROADBAND NETWORK BETWEEN RURAL, URBAN AND SUBURBAN AREAS  
13          WITHIN ITS SERVICE TERRITORY, AS THOSE AREAS ARE APPLICABLE,  
14          ACCORDING TO ITS APPROVED NETWORK MODERNIZATION PLAN.

15          (I) IMPACT OF COMPETITION.--NOTWITHSTANDING ANY PROVISION OF  
16          THIS SECTION OR ANY NETWORK MODERNIZATION PLAN TO THE CONTRARY,  
17          IF ONE OR MORE ALTERNATIVE SERVICE PROVIDERS, EXCLUDING SERVICE  
18          PROVIDERS USING SATELLITE-BASED SYSTEMS, HAVE MADE ADVANCED  
19          SERVICES OR BROADBAND AVAILABLE AT REASONABLY COMPARABLE DATA  
20          SPEEDS THROUGHOUT A PARTICULAR EXCHANGE SERVED BY A RURAL  
21          TELECOMMUNICATIONS CARRIER, THE RURAL TELECOMMUNICATIONS  
22          CARRIER'S COMMITMENT TO PROVIDE ADVANCED SERVICES AND BROADBAND  
23          AVAILABILITY IN THAT EXCHANGE SHALL BE DEEMED MET AND SHALL BE  
24          CREDITED TO ITS DEPLOYMENT OBLIGATION. TO OBTAIN SUCH CREDIT,  
25          THE RURAL TELECOMMUNICATIONS CARRIER MUST PROVIDE VERIFICATION  
26          OF SUCH SERVICE AVAILABILITY TO THE COMMISSION.

27          (J) STUDY OF STATEWIDE EDUCATION NETWORK.--

28          (1) THE LEGISLATIVE BUDGET AND FINANCE COMMITTEE IN  
29          CONSULTATION WITH ALL ADVANCED BROADBAND SERVICE PROVIDERS,  
30          TELECOMMUNICATIONS CARRIERS AND ALTERNATIVE SERVICE PROVIDERS

1 OPERATING IN THIS COMMONWEALTH, IRRESPECTIVE OF THE  
2 TECHNOLOGY USED, AND THE DEPARTMENT OF EDUCATION SHALL  
3 PERFORM A FEASIBILITY STUDY ON THE DEVELOPMENT OF A STATEWIDE  
4 EDUCATION NETWORK TO PROMOTE THE EFFECTIVE USE OF INFORMATION  
5 TECHNOLOGY THAT ENHANCES EDUCATION, PROMOTES COMMUNITY  
6 PARTNERSHIPS AND SUPPORTS ECONOMIC GROWTH IN A KNOWLEDGE-  
7 BASED SOCIETY. IN CONDUCTING THE STUDY, THE COMMITTEE SHALL  
8 CONSIDER COST-BENEFIT ANALYSES ASSOCIATED WITH THE  
9 DEVELOPMENT AND IMPLEMENTATION OF A STATEWIDE EDUCATION  
10 NETWORK. AT A MINIMUM, THE COMMITTEE SHALL INQUIRE INTO AND  
11 MAKE RECOMMENDATIONS WITH RESPECT TO:

12 (I) THE IMPACT ON PUBLIC AND PRIVATE SCHOOLS,  
13 VOCATIONAL-TECHNICAL SCHOOLS, INTERMEDIATE UNITS AND  
14 INSTITUTIONS OF HIGHER EDUCATION IN THIS COMMONWEALTH  
15 THAT WOULD BE LINKED TOGETHER WITH FUNCTIONAL LEVELS OF  
16 BROADBAND THROUGHOUT THIS COMMONWEALTH.

17 (II) COMPETITION IN THE TELECOMMUNICATIONS INDUSTRY  
18 OF THIS COMMONWEALTH AND THE ABILITY FOR THE PUBLIC AND  
19 PRIVATE SCHOOLS, VOCATIONAL-TECHNICAL SCHOOLS,  
20 INTERMEDIATE UNITS AND INSTITUTIONS OF HIGHER EDUCATION  
21 IN THIS COMMONWEALTH'S NETWORK ON INTERMEDIATE UNITS,  
22 SCHOOL DISTRICTS AND INDIVIDUAL SCHOOLS TO PROCURE  
23 TELECOMMUNICATIONS SERVICES.

24 (III) THE IMPACT ON LOCAL EXCHANGE  
25 TELECOMMUNICATIONS SERVICE PROVIDERS THAT HAVE AMENDED  
26 THEIR NETWORK MODERNIZATION PLAN TO ACCELERATE THE  
27 DEPLOYMENT OF BROADBAND AND ADVANCED SERVICES AS PROVIDED  
28 FOR WITHIN THE PROVISIONS OF THIS CHAPTER.

29 (IV) FUNDING MECHANISMS TO SUPPORT THE DEVELOPMENT  
30 AND IMPLEMENTATION OF A STATEWIDE EDUCATION NETWORK AND

1           THE AVAILABILITY OF FEDERAL AND STATE FUNDING ASSISTANCE  
2           PROGRAMS TO RURAL SCHOOL DISTRICTS TO PROCURE HIGH-SPEED  
3           TELECOMMUNICATIONS SERVICES.

4           (V) A COMPARISON OF THE EFFICIENCY AND EFFECTIVENESS  
5           OF STATEWIDE EDUCATION NETWORKS IMPLEMENTED IN OTHER  
6           STATES.

7           (2) THE COMMITTEE SHALL SUBMIT A FINAL REPORT WITH  
8           RECOMMENDATIONS TO THE GENERAL ASSEMBLY NO LATER THAN MAY 31,  
9           2005, AND PUBLISH NOTICE OF THE FINAL REPORT IN THE  
10          PENNSYLVANIA BULLETIN WITHIN 30 DAYS OF THE SUBMISSION OF THE  
11          FINAL REPORT.

12          (K) INVENTORY OF AVAILABLE SERVICES.--

13          (1) THE DEPARTMENT SHALL COMPILE, PERIODICALLY UPDATE  
14          AND PUBLISH, INCLUDING AT ITS WORLD WIDE WEB SITE, A LISTING  
15          OF ADVANCED AND BROADBAND SERVICES, BY GENERAL LOCATION,  
16          AVAILABLE FROM ALL ADVANCED AND BROADBAND SERVICE PROVIDERS  
17          OPERATING IN THIS COMMONWEALTH IRRESPECTIVE OF THE TECHNOLOGY  
18          USED.

19          (2) ALL PROVIDERS OF ADVANCED AND BROADBAND SERVICES  
20          SHALL COOPERATE WITH THE DEPARTMENT.

21          (3) THE DEPARTMENT MAY NOT DISCLOSE MAPS OR OTHER  
22          INFORMATION DESCRIBING THE SPECIFIC LOCATION OF ANY  
23          PROVIDER'S FACILITIES.

24          (L) CONSTRUCTION.--NOTHING IN THIS SECTION SHALL BE  
25          CONSTRUED:

26          (1) AS GIVING THE COMMISSION THE AUTHORITY TO REQUIRE A  
27          LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY TO PROVIDE SPECIFIC  
28          SERVICES OR TO DEPLOY A SPECIFIC TECHNOLOGY TO RETAIL  
29          CUSTOMERS SEEKING BROADBAND OR ADVANCED SERVICES.

30          (2) AS PROHIBITING A LOCAL EXCHANGE TELECOMMUNICATIONS

1 COMPANY FROM PARTICIPATING IN JOINT VENTURES WITH OTHER  
2 ENTITIES IN MEETING ITS ADVANCED SERVICES AND BROADBAND  
3 DEPLOYMENT COMMITMENTS UNDER ITS NETWORK MODERNIZATION PLAN.

4 § 3015. ALTERNATIVE FORMS OF REGULATION.

5 (A) INFLATION OFFSET.--

6 (1) EXCEPT AS OTHERWISE PROVIDED IN PARAGRAPHS (2) AND  
7 (3), A LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY WITH AN  
8 ALTERNATIVE FORM OF REGULATION CONTAINING A PRICE STABILITY  
9 MECHANISM THAT FILES AN AMENDED NETWORK MODERNIZATION PLAN  
10 UNDER SECTION 3014(B)(1), (2) OR (3) (RELATING TO NETWORK  
11 MODERNIZATION PLANS) SHALL BE SUBJECT TO A MODIFIED INFLATION  
12 OFFSET IN ITS PRICE STABILITY MECHANISM IN ADJUSTING ITS  
13 RATES FOR NONCOMPETITIVE SERVICES, EFFECTIVE UPON THE FILING  
14 OF AN AMENDED NETWORK MODERNIZATION PLAN UNDER SECTION  
15 3014(D), AS FOLLOWS:

16 (I) IF A NONRURAL TELECOMMUNICATIONS CARRIER FILES  
17 AN AMENDED NETWORK MODERNIZATION PLAN UNDER SECTION  
18 3014(B)(3) THAT COMMITS TO DEPLOY 100% BROADBAND  
19 AVAILABILITY BY DECEMBER 31, 2013, THEN THE INFLATION  
20 OFFSET SHALL BE ZERO.

21 (II) IF A NONRURAL TELECOMMUNICATIONS CARRIER FILES  
22 AN AMENDED NETWORK MODERNIZATION PLAN UNDER SECTION  
23 3014(B)(3) THAT COMMITS TO DEPLOY 100% BROADBAND  
24 AVAILABILITY BY DECEMBER 31, 2015, THEN THE INFLATION  
25 OFFSET SHALL BE EQUAL TO 0.5%.

26 (III) IF A RURAL TELECOMMUNICATIONS CARRIER FILES AN  
27 AMENDED NETWORK MODERNIZATION PLAN UNDER SECTION  
28 3014(B)(1) OR (3), THEN THE INFLATION OFFSET SHALL BE  
29 ZERO.

30 (IV) IF A RURAL TELECOMMUNICATIONS CARRIER FILES AN



1 AMENDED NETWORK MODERNIZATION PLAN UNDER SECTION  
2 3014(B)(2) THAT COMMITS TO DEPLOY 95% BROADBAND  
3 AVAILABILITY BY DECEMBER 31, 2013, THEN THE INFLATION  
4 OFFSET SHALL BE EQUAL TO 10% OF THE INFLATION OFFSET  
5 CONTAINED IN THE RURAL TELECOMMUNICATIONS CARRIER'S  
6 ORIGINAL ALTERNATIVE REGULATION PLAN.

7 (V) IF A RURAL TELECOMMUNICATIONS CARRIER FILES AN  
8 AMENDED NETWORK MODERNIZATION PLAN UNDER SECTION  
9 3014(B)(2) THAT COMMITS TO DEPLOY 90% BROADBAND  
10 AVAILABILITY BY DECEMBER 31, 2012, THEN THE INFLATION  
11 OFFSET SHALL BE EQUAL TO 25% OF THE INFLATION OFFSET  
12 CONTAINED IN THE RURAL TELECOMMUNICATIONS CARRIER'S  
13 ORIGINAL ALTERNATIVE REGULATION PLAN.

14 (VI) IF A RURAL TELECOMMUNICATIONS CARRIER FILES AN  
15 AMENDED NETWORK MODERNIZATION PLAN UNDER SECTION  
16 3014(B)(2) THAT COMMITS TO DEPLOY 85% BROADBAND  
17 AVAILABILITY BY DECEMBER 31, 2011, THEN THE INFLATION  
18 OFFSET SHALL BE EQUAL TO 50% OF THE INFLATION OFFSET  
19 CONTAINED IN THE RURAL TELECOMMUNICATIONS CARRIER'S  
20 ORIGINAL ALTERNATIVE REGULATION PLAN.

21 (VII) IF A RURAL TELECOMMUNICATIONS CARRIER FILES AN  
22 AMENDED NETWORK MODERNIZATION PLAN UNDER SECTION  
23 3014(B)(2) THAT COMMITS TO DEPLOY 80% OR LESS BROADBAND  
24 AVAILABILITY BY DECEMBER 31, 2010, THEN THE INFLATION  
25 OFFSET SHALL BE EQUAL TO THE INFLATION OFFSET CONTAINED  
26 IN THE RURAL TELECOMMUNICATIONS CARRIER'S ORIGINAL  
27 ALTERNATIVE REGULATION PLAN.

28 IN THE EVENT THAT A LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY  
29 IS FOUND BY THE COMMISSION, AFTER NOTICE AND EVIDENTIARY  
30 HEARINGS, TO HAVE FAILED TO MEET ITS NETWORK COMMITMENT FOR

1 FINAL BROADBAND AVAILABILITY, THEN THE COMMISSION SHALL  
2 REQUIRE THE LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY TO  
3 REFUND TO CUSTOMERS IN ITS NEXT PRICE STABILITY FILING AN  
4 AMOUNT THAT IS JUST AND REASONABLE UNDER THE CIRCUMSTANCES,  
5 BUT NOT TO EXCEED A REVENUE AMOUNT DETERMINED BY MULTIPLYING  
6 THE PERCENTAGE SHORTFALL OF THE BROADBAND AVAILABILITY  
7 COMMITMENT ON AN ACCESS LINE BASIS TIMES THE REVENUE THAT WAS  
8 OBTAINED AS A RESULT OF THE MODIFIED INFLATION OFFSET  
9 PROVIDED IN THIS SECTION PLUS INTEREST CALCULATED UNDER  
10 SECTION 1308(D) (RELATING TO VOLUNTARY CHANGES IN RATES).

11 (2) EACH PROTECTED SERVICE OF A NONRURAL  
12 TELECOMMUNICATIONS CARRIER SHALL BE SUBJECT TO AN INFLATION  
13 OFFSET AND THAT NO RATE ADJUSTMENT FOR ANY SUCH PROTECTED  
14 SERVICE SHALL EXCEED THE INFLATION OFFSET.

15 (3) THROUGH DECEMBER 31, 2015:

16 (I) IN ANY YEAR IN WHICH REVENUE-NEUTRAL RATE  
17 CHANGES ARE ORDERED BY THE COMMISSION FOR A NONRURAL  
18 TELECOMMUNICATIONS CARRIER, ANY INCREASE IN RESIDENTIAL  
19 AND SMALL BUSINESS PROTECTED SERVICE RATES UNDER THAT  
20 CARRIER'S PRICE STABILITY MECHANISM IN THAT YEAR SHALL BE  
21 OFFSET AGAINST ANY REVENUE-NEUTRAL RATE INCREASE FOR  
22 THOSE SERVICES.

23 (II) (A) A RURAL TELECOMMUNICATIONS CARRIER MAY NOT  
24 SEPARATELY PROPOSE, AS PART OF A RATE REBALANCING  
25 FILING, TO INCREASE THE RATES FOR RESIDENTIAL OR  
26 SMALL BUSINESS LOCAL EXCHANGE TELECOMMUNICATIONS  
27 SERVICE IN THE SAME CALENDAR YEAR AS RATES FOR  
28 RESIDENTIAL OR SMALL BUSINESS LOCAL EXCHANGE  
29 TELECOMMUNICATIONS SERVICE ARE INCREASED UNDER THE  
30 ANNUAL PRICE STABILITY INDEX, WHERE THE RATE

1           REBALANCING PROPOSAL IS NOT SUBMITTED TO THE  
2           COMMISSION AS PART OF THE ANNUAL PRICE STABILITY  
3           MECHANISM FILING. ANY CAP CONTAINED IN THE RATE  
4           REBALANCING SECTION OF A RURAL TELECOMMUNICATIONS  
5           CARRIER'S EXISTING ALTERNATIVE FORM OF REGULATION  
6           PLAN THAT RESTRICTS THE LEVEL OF ANNUAL RATE  
7           INCREASES TO A LOCAL EXCHANGE TELECOMMUNICATIONS  
8           SERVICE SHALL ALSO BE APPLIED TO LIMIT ANY RATE  
9           INCREASE THAT OCCURS AS A RESULT OF ELIMINATION OF  
10          THE OFFSET.

11           (B) THESE LIMITATIONS SHALL NOT APPLY WHERE  
12          RATES ARE CHANGED AS A RESULT OF A GENERIC  
13          INVESTIGATION OR WHEN THE REBALANCING DOES NOT  
14          INCREASE THE WEIGHTED AVERAGE RATES RESPECTIVELY OF  
15          RESIDENTIAL AND SMALL BUSINESS LOCAL EXCHANGE  
16          TELECOMMUNICATIONS SERVICE.

17          (B) RATE CHANGES FOR RURAL TELECOMMUNICATIONS CARRIERS.--

18           (1) IN ADDITION TO THE RATE CHANGE PROVISIONS IN ITS  
19          ALTERNATIVE FORM OF REGULATION PLAN, A RURAL  
20          TELECOMMUNICATIONS CARRIER OPERATING WITHOUT A PRICE  
21          STABILITY MECHANISM THAT FILES WITH THE COMMISSION AN AMENDED  
22          NETWORK MODERNIZATION PLAN UNDER SECTION 3014(B)(1), (2) OR  
23          (3) SHALL BE PERMITTED AT ANY TIME TO FILE WITH THE  
24          COMMISSION PROPOSED TARIFF CHANGES, EFFECTIVE 45 DAYS AFTER  
25          FILING, SETTING FORTH MISCELLANEOUS CHANGES, INCLUDING  
26          INCREASES AND DECREASES, IN RATES FOR NONCOMPETITIVE  
27          SERVICES, EXCLUDING BASIC RESIDENTIAL AND BUSINESS RATES,  
28          PROVIDED SUCH RATE CHANGES DO NOT INCREASE THE RURAL  
29          TELECOMMUNICATIONS CARRIER'S ANNUAL INTRASTATE REVENUES BY  
30          MORE THAN 2%.

1           (2) THE COMMISSION TARIFF FILING REQUIREMENTS AND REVIEW  
2           ASSOCIATED WITH SUCH PROPOSED RATE CHANGES SHALL BE LIMITED  
3           TO SCHEDULES SUBMITTED BY THE RURAL TELECOMMUNICATIONS  
4           CARRIER DETAILING THE IMPACT OF THE RATE CHANGES ON THE  
5           CARRIER'S ANNUAL INTRASTATE REVENUES.

6           (3) A RURAL TELECOMMUNICATIONS CARRIER THAT IMPLEMENTS  
7           NONCOMPETITIVE RATE CHANGES CONSISTENT WITH THE PROCEDURE SET  
8           FORTH IN ITS ALTERNATIVE FORM OF REGULATION PLAN SHALL BE  
9           REQUIRED ONLY TO FILE SUCH FINANCIAL AND COST DATA WITH THE  
10           COMMISSION TO JUSTIFY SUCH CHANGES AS IS REQUIRED UNDER ITS  
11           COMMISSION-APPROVED ALTERNATIVE FORM OF REGULATION PLAN.

12           (4) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (1), (2)  
13           OR (3), FOR ANY RURAL TELECOMMUNICATIONS CARRIER SERVING LESS  
14           THAN 50,000 ACCESS LINES IN THIS COMMONWEALTH AND OPERATING  
15           UNDER AN ALTERNATIVE FORM OF REGULATION PLAN, A FORMAL  
16           COMPLAINT TO DENY RATE CHANGES FOR NONCOMPETITIVE SERVICES,  
17           UNLESS SIGNED BY AT LEAST 20 CUSTOMERS OF THE RURAL  
18           TELECOMMUNICATIONS CARRIER, SHALL NOT PREVENT IMPLEMENTATION  
19           OF THE RATE CHANGES PENDING THE ADJUDICATION OF THE FORMAL  
20           COMPLAINT BY THE COMMISSION.

21           (C) PAYMENTS TO FUND.--

22           (1) A LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY THAT  
23           FILES AN AMENDED NETWORK MODERNIZATION PLAN UNDER SECTION  
24           3014(B)(2) OR (3) MAY BE REQUIRED BY THE DEPARTMENT TO  
25           CONTRIBUTE UP TO, BUT NO MORE THAN, 10% OF THE FIRST YEAR'S  
26           ANNUAL REVENUE EFFECT:

27           (I) OF ANY RATE INCREASES PERMITTED BY THE  
28           ELIMINATION OF THE OFFSET UNDER SUBSECTION (A); OR

29           (II) IF THE LOCAL EXCHANGE TELECOMMUNICATIONS  
30           COMPANY IS OPERATING WITHOUT A PRICE STABILITY MECHANISM,

1 OF ANY RATE INCREASES UNDER SUBSECTION (B)(1), TO THE  
2 FUND ESTABLISHED UNDER SECTION 3014(G).

3 (2) THE CONTRIBUTION SHALL BE PAYABLE IN EQUAL QUARTERLY  
4 INSTALLMENTS AND CALCULATED ON PROJECTED INCREASED REVENUES  
5 FOR THE FIRST YEAR OF THE RATE CHANGE. THE CONTRIBUTIONS  
6 SHALL ALSO BE MADE IN CONNECTION WITH EACH SUBSEQUENT  
7 NONCOMPETITIVE SERVICE RATE INCREASE UNTIL THE LOCAL EXCHANGE  
8 TELECOMMUNICATIONS COMPANY FULFILLS THE HIGHER PERCENTAGE  
9 DEPLOYMENT OBLIGATION SET FORTH IN ITS AMENDED NETWORK  
10 MODERNIZATION PLAN.

11 (3) IN NO EVENT SHALL THE FUND EXCEED \$5,000,000 AND, IN  
12 THE EVENT OF SUCH OVERFUNDING, THE DEPARTMENT SHALL CREDIT  
13 THE OVERCOLLECTION TO THE NEXT YEAR'S CONTRIBUTION AMOUNT.

14 (4) A LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY THAT  
15 ELECTS TO AMEND ITS NETWORK MODERNIZATION PLAN PURSUANT TO  
16 SECTION 3014(B)(1) SHALL NOT BE REQUIRED TO CONTRIBUTE TO THE  
17 FUND.

18 (D) GENERAL FILING REQUIREMENTS.--FOR A LOCAL EXCHANGE  
19 TELECOMMUNICATIONS COMPANY THAT FILES AN AMENDED NETWORK  
20 MODERNIZATION PLAN UNDER SECTION 3014(B)(1), (2) OR (3), THE  
21 COMMISSION'S FILING AND AUDIT REQUIREMENTS SHALL BE LIMITED TO  
22 THE FOLLOWING SUBMISSIONS BY THE COMPANY:

23 (1) NETWORK MODERNIZATION PLAN REPORTS FILED PURSUANT TO  
24 SECTION 3014(E).

25 (2) AN ANNUAL FINANCIAL REPORT CONSISTING OF A BALANCE  
26 SHEET AND INCOME STATEMENT.

27 (3) AN ANNUAL DEAF, SPEECH-IMPAIRED AND HEARING-IMPAIRED  
28 RELAY INFORMATION REPORT.

29 (4) AN ANNUAL SERVICE REPORT.

30 (5) UNIVERSAL SERVICE REPORTS.

1           (6) AN ANNUAL ACCESS LINE REPORT.

2           (7) AN ANNUAL STATEMENT OF GROSS INTRASTATE OPERATING  
3 REVENUES FOR PURPOSES OF CALCULATING ASSESSMENTS FOR  
4 REGULATORY EXPENSES.

5           (8) AN ANNUAL STATE TAX ADJUSTMENT COMPUTATION FOR YEARS  
6 IN WHICH A TAX CHANGE HAS OCCURRED, IF APPLICABLE.

7           (9) FOR THOSE COMPANIES WITH A BONA FIDE RETAIL REQUEST  
8 PROGRAM, A BONA FIDE RETAIL REQUEST REPORT UNDER SECTION  
9 3014(C)(6).

10 THESE REPORTS SHALL BE SUBMITTED IN THE FORM DETERMINED BY THE  
11 COMMISSION.

12       (E) OTHER REPORTS.--

13           (1) NOTWITHSTANDING ANY OTHER PROVISION OF THIS TITLE TO  
14 THE CONTRARY, NO REPORT, STATEMENT, FILING OR OTHER DOCUMENT  
15 OR INFORMATION, EXCEPT AS SPECIFIED IN SUBSECTION (D), SHALL  
16 BE REQUIRED OF ANY LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY  
17 UNLESS THE COMMISSION, UPON NOTICE TO THE AFFECTED LOCAL  
18 EXCHANGE TELECOMMUNICATIONS COMPANY AND AN OPPORTUNITY TO BE  
19 HEARD, HAS FIRST MADE SPECIFIC WRITTEN FINDINGS SUPPORTING  
20 CONCLUSIONS IN AN ENTERED ORDER THAT:

21           (I) THE REPORT IS NECESSARY TO ENSURE THAT THE LOCAL  
22 EXCHANGE TELECOMMUNICATIONS COMPANY IS CHARGING RATES  
23 THAT ARE IN COMPLIANCE WITH THIS CHAPTER AND ITS  
24 EFFECTIVE ALTERNATIVE FORM OF REGULATION.

25           (II) THE BENEFITS OF THE REPORT SUBSTANTIALLY  
26 OUTWEIGH THE ATTENDANT EXPENSE AND ADMINISTRATIVE TIME  
27 AND EFFORT REQUIRED OF THE LOCAL EXCHANGE  
28 TELECOMMUNICATIONS COMPANY TO PREPARE IT.

29           (2) NOTHING IN THIS SUBSECTION SHALL BE CONSTRUED TO  
30 IMPEDE THE ABILITY OF THE COMMISSION TO REQUIRE THE

1       SUBMISSION OF FURTHER INFORMATION TO SUPPORT THE ACCURACY OF  
2       OR TO SEEK AN EXPLANATION OF THE REPORTS SPECIFIED IN  
3       SUBSECTION (D).

4       (F) RATE CHANGE LIMITATIONS.--NOTHING IN THIS CHAPTER SHALL  
5       BE CONSTRUED TO LIMIT THE REQUIREMENT OF SECTION 1301 (RELATING  
6       TO RATES TO BE JUST AND REASONABLE) THAT RATES SHALL BE JUST AND  
7       REASONABLE. THE ANNUAL RATE CHANGE LIMITATIONS SET FORTH IN A  
8       LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY'S EFFECTIVE  
9       COMMISSION-APPROVED ALTERNATIVE FORM OF REGULATION PLAN OR ANY  
10      OTHER COMMISSION-APPROVED ANNUAL RATE CHANGE LIMITATION SHALL  
11      REMAIN APPLICABLE.

12      (G) SMALL BUSINESS CUSTOMERS.--LOCAL EXCHANGE  
13      TELECOMMUNICATIONS COMPANIES OPERATING UNDER AN ALTERNATIVE FORM  
14      OF REGULATION PLAN WITH SMALL BUSINESS CUSTOMERS DEFINED AS  
15      "THREE LINES OR LESS" SHALL AMEND SUCH DEFINITION TO "FOUR OR  
16      FEWER LINES."

17      (H) CONFORMANCE OF PLAN.--UPON THE FILING BY A LOCAL  
18      EXCHANGE TELECOMMUNICATIONS COMPANY OF NETWORK MODERNIZATION  
19      PLAN AMENDMENTS PURSUANT TO SECTION 3014(D), THE LOCAL EXCHANGE  
20      TELECOMMUNICATIONS COMPANY'S ALTERNATIVE FORM OF REGULATION PLAN  
21      SHALL BE DEEMED AMENDED CONSISTENT WITH THIS SECTION.

22      § 3016. COMPETITIVE SERVICES.

23      (A) DECLARATION OF SERVICES AS COMPETITIVE.--A SERVICE OR  
24      BUSINESS ACTIVITY PROVIDED BY A LOCAL EXCHANGE  
25      TELECOMMUNICATIONS COMPANY, INCLUDING A PROTECTED SERVICE, NOT  
26      PREVIOUSLY DECLARED BY THE COMMISSION AS COMPETITIVE MAY BE  
27      DECLARED COMPETITIVE BY THE COMMISSION UNDER THE FOLLOWING  
28      PROVISIONS:

29              (1) THE LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY MAY  
30              PETITION THE COMMISSION FOR A DETERMINATION OF WHETHER A

1 SERVICE IS COMPETITIVE. THE COMMISSION SHALL ENTER AN ORDER  
2 APPROVING OR DISAPPROVING THE PETITION WITHIN 60 DAYS OF THE  
3 FILING DATE OR 90 DAYS WHERE A PROTEST IS TIMELY FILED, OR  
4 THE PETITION SHALL BE DEEMED APPROVED. IN MAKING THE  
5 DETERMINATION, THE COMMISSION SHALL CONSIDER ALL RELEVANT  
6 INFORMATION SUBMITTED TO IT.

7 (2) SIMULTANEOUSLY WITH THE FILING BY THE LOCAL EXCHANGE  
8 TELECOMMUNICATIONS COMPANY OF A PETITION WITH THE COMMISSION  
9 FOR A DECLARATION OF A SERVICE AS COMPETITIVE, THE LOCAL  
10 EXCHANGE TELECOMMUNICATIONS COMPANY SHALL SERVE A COPY OF THE  
11 PETITION ON THE OFFICE OF CONSUMER ADVOCATE AND THE OFFICE OF  
12 SMALL BUSINESS ADVOCATE AND GIVE NOTICE TO THE PUBLIC OF THE  
13 FILING OF ITS PETITION IN A NEWSPAPER OR NEWSPAPERS OF  
14 GENERAL CIRCULATION IN THE COMPANY'S SERVICE TERRITORY.

15 (3) IN A PROCEEDING TO DECLARE A SERVICE COMPETITIVE,  
16 THE COMMISSION SHALL CONSIDER THE AVAILABILITY OF LIKE OR  
17 SUBSTITUTE SERVICES OR OTHER BUSINESS ACTIVITIES IN THE  
18 RELEVANT GEOGRAPHIC AREA.

19 (4) THE BURDEN OF PROVING THAT A PROTECTED SERVICE IS  
20 COMPETITIVE RESTS ON THE PARTY SEEKING TO HAVE THE SERVICE  
21 DECLARED COMPETITIVE. HEARINGS SHALL NOT BE REQUIRED, UNLESS  
22 A PROTESTING PARTY HAS RAISED RELEVANT AND MATERIAL FACTUAL  
23 ISSUES.

24 (B) OPTIONAL DECLARATION OF NONPROTECTED SERVICES AS  
25 COMPETITIVE.--NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (A),  
26 A LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY THAT HAS FILED AN  
27 AMENDED NETWORK MODERNIZATION PLAN PURSUANT TO SECTION  
28 3014(B)(1), (2) OR (3) (RELATING TO NETWORK MODERNIZATION  
29 PLANS), AT ITS OPTION, MAY DECLARE SERVICES WHICH ARE NOT  
30 PROTECTED AS COMPETITIVE BY FILING NOTICE OF ITS ELECTION OF



1 THIS OPTION WITH THE COMMISSION.

2 (C) RURAL EXCHANGE SPECIFIC PRICING.--

3 (1) WHEN AN ALTERNATIVE SERVICE PROVIDER IS PROVIDING  
4 LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES WITHIN AN EXCHANGE  
5 OF A RURAL TELECOMMUNICATIONS CARRIER THAT HAS FILED AN  
6 AMENDED NETWORK MODERNIZATION PLAN UNDER SECTION 3014(B)(1),  
7 (2) OR (3), THE RURAL TELECOMMUNICATIONS CARRIER MAY PETITION  
8 THE COMMISSION FOR APPROVAL TO BEGIN PRICING ITS SERVICES IN  
9 THE EXCHANGE AT ITS DISCRETION.

10 (2) THE COMMISSION, FOLLOWING PUBLIC NOTICE, SHALL  
11 APPROVE THE PETITION WITHIN 60 DAYS IF SHOWN BY THE RURAL  
12 TELECOMMUNICATIONS CARRIER THAT THE ALTERNATIVE SERVICE  
13 PROVIDER IS PROVIDING LOCAL EXCHANGE TELECOMMUNICATIONS  
14 SERVICES IN THE EXCHANGE.

15 (3) ANY PARTY WITH STANDING SHALL HAVE THE RIGHT TO  
16 CHALLENGE THE LAWFULNESS OF ANY PETITION FILED OR OF ANY RATE  
17 CHANGE PURSUANT TO SECTION 701 (RELATING TO COMPLAINTS).

18 (4) FOLLOWING APPROVAL OF A PETITION, THE RURAL  
19 TELECOMMUNICATIONS CARRIER SHALL TARIFF ANY CHANGES IN  
20 NONCOMPETITIVE RATES EFFECTIVE ONE DAY AFTER FILING.

21 (5) THE RURAL TELECOMMUNICATIONS CARRIER SHALL GIVE  
22 NOTICE TO ALL CUSTOMERS IMPACTED BY ANY RATE INCREASES IN THE  
23 FORM OF A BILL INSERT, BILL MESSAGE, WRITTEN NOTICE OR  
24 NEWSPAPER NOTICE AT LEAST TEN DAYS PRIOR TO THE TARIFF  
25 FILING.

26 (D) RECLASSIFICATION.--

27 (1) THE COMMISSION MAY RECLASSIFY A TELECOMMUNICATIONS  
28 SERVICE OR OTHER SERVICE OR BUSINESS ACTIVITY THAT HAS  
29 PREVIOUSLY BEEN FOUND TO BE COMPETITIVE IF, AFTER NOTICE AND  
30 HEARING, IT DETERMINES, UPON APPLICATION OF THE CRITERIA SET

1 FORTH IN THIS CHAPTER, THAT:

2 (I) SUFFICIENT COMPETITION IS NO LONGER PRESENT;

3 (II) THE LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY  
4 HAS ENGAGED IN UNFAIR COMPETITION WITH RESPECT TO THE  
5 SERVICE; OR

6 (III) THE LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY  
7 HAS FAILED TO PROVIDE NONDISCRIMINATORY ACCESS IN THE  
8 PROVISION OF THE SERVICE.

9 (2) IF THE COMMISSION FINDS THAT A RECLASSIFICATION IS  
10 NECESSARY, THE COMMISSION SHALL DETERMINE WHETHER THE RATE  
11 FOR THE TELECOMMUNICATIONS SERVICE OR OTHER SERVICE OR  
12 BUSINESS ACTIVITY IS JUST AND REASONABLE IN ACCORDANCE WITH  
13 SECTION 1301 (RELATING TO RATES TO BE JUST AND REASONABLE).

14 (3) IF THE TELECOMMUNICATIONS SERVICE OR OTHER SERVICE  
15 OR BUSINESS ACTIVITY SUBSEQUENTLY BECOMES COMPETITIVE, THE  
16 LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY SHALL PETITION THE  
17 COMMISSION TO MAKE A DETERMINATION OF COMPETITIVENESS FOR THE  
18 SERVICE UNDER THE PROVISIONS OF THIS CHAPTER.

19 (4) THE BURDEN OF PROVING THAT A COMPETITIVE SERVICE  
20 SHOULD BE DECLARED NONCOMPETITIVE RESTS ON THE PARTY SEEKING  
21 TO HAVE THE SERVICE DECLARED NONCOMPETITIVE.

22 (E) ADDITIONAL REQUIREMENTS.--

23 (1) THE PRICES WHICH A LOCAL EXCHANGE TELECOMMUNICATIONS  
24 COMPANY CHARGES FOR COMPETITIVE SERVICES SHALL NOT BE LESS  
25 THAN THE COSTS TO PROVIDE THE SERVICES.

26 (2) THE COMMISSION MAY NOT REQUIRE TARIFFS FOR  
27 COMPETITIVE SERVICE OFFERINGS TO BE FILED WITH THE  
28 COMMISSION.

29 (3) A LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY, AT ITS  
30 OPTION, MAY TARIFF ITS RATES, SUBJECT TO RULES AND

1 REGULATIONS APPLICABLE TO THE PROVISION OF COMPETITIVE  
2 SERVICES.

3 (4) THE COMMISSION MAY REQUIRE A LOCAL EXCHANGE  
4 TELECOMMUNICATIONS COMPANY TO MAINTAIN PRICE LISTS WITH THE  
5 COMMISSION APPLICABLE TO ITS COMPETITIVE SERVICES.

6 (F) PRICING FLEXIBILITY AND BUNDLING.--

7 (1) SUBJECT TO THE REQUIREMENTS OF SUBSECTION (E)(1), A  
8 LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY MAY PRICE  
9 COMPETITIVE SERVICES AT THE COMPANY'S DISCRETION.

10 (2) A LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY MAY  
11 OFFER AND BILL TO CUSTOMERS ON ONE BILL BUNDLED PACKAGES OF  
12 SERVICES WHICH INCLUDE NONTARIFFED, COMPETITIVE,  
13 NONCOMPETITIVE OR PROTECTED SERVICES, INCLUDING SERVICES OF  
14 AN AFFILIATE, IN COMBINATIONS AND AT A SINGLE PRICE SELECTED  
15 BY THE COMPANY.

16 (3) IF A CUSTOMER SUBSCRIBES TO A BUNDLED PACKAGE OF  
17 SERVICES WHICH INCLUDE NONTARIFFED, COMPETITIVE,  
18 NONCOMPETITIVE OR PROTECTED SERVICES AS PROVIDED IN PARAGRAPH  
19 (2) AND DOES NOT MAKE PAYMENT ON A BILLING DUE DATE, THE  
20 LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY MAY FIRST SUSPEND  
21 ALL OF THE CUSTOMER'S SERVICES SUBSCRIBED TO IN THE BUNDLED  
22 PACKAGE FOLLOWING WRITTEN NOTICE TO THE CUSTOMER OF SUCH  
23 SUSPENSION AT LEAST SEVEN DAYS PRIOR TO THE SUSPENSION AND  
24 THEREAFTER MAY TERMINATE ALL THE CUSTOMER'S BUNDLED PACKAGE  
25 SERVICES FOLLOWING WRITTEN NOTICE TO THE CUSTOMER OF SUCH  
26 TERMINATION AT LEAST TEN DAYS PRIOR TO THE TERMINATION.

27 (G) PROHIBITIONS.--

28 (1) A LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY SHALL BE  
29 PROHIBITED FROM USING REVENUES EARNED OR EXPENSES INCURRED IN  
30 CONJUNCTION WITH PROTECTED SERVICES TO SUBSIDIZE COMPETITIVE

1 SERVICES.

2 (2) PARAGRAPH (1) SHALL NOT BE CONSTRUED TO PREVENT THE  
3 MARKETING AND BILLING OF NONCOMPETITIVE AND COMPETITIVE  
4 SERVICES AS PACKAGES TO CUSTOMERS.

5 § 3017. ACCESS CHARGES.

6 (A) GENERAL RULE.--THE COMMISSION MAY NOT REQUIRE A LOCAL  
7 EXCHANGE TELECOMMUNICATIONS COMPANY TO REDUCE ACCESS RATES  
8 EXCEPT ON A REVENUE-NEUTRAL BASIS AND MAY NOT ORDER DECREASES IN  
9 ACCESS RATES FOR A NONRURAL TELECOMMUNICATIONS CARRIER MORE THAN  
10 ONCE EVERY TWO YEARS.

11 (B) REFUSAL TO PAY ACCESS CHARGES PROHIBITED.--NO PERSON OR  
12 ENTITY MAY REFUSE TO PAY TARIFFED ACCESS CHARGES FOR  
13 INTEREXCHANGE SERVICES PROVIDED BY A LOCAL EXCHANGE  
14 TELECOMMUNICATIONS COMPANY.

15 (C) LIMITATION.--NO TELECOMMUNICATIONS CARRIER PROVIDING  
16 COMPETITIVE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICE MAY CHARGE  
17 ACCESS RATES HIGHER THAN THOSE CHARGED BY THE INCUMBENT LOCAL  
18 EXCHANGE TELECOMMUNICATIONS COMPANY IN THE SAME SERVICE  
19 TERRITORY, UNLESS SUCH CARRIER CAN DEMONSTRATE, BY SUBSTANTIAL  
20 EVIDENCE, THAT THE HIGHER ACCESS RATES ARE COST JUSTIFIED.

21 § 3018. INTEREXCHANGE TELECOMMUNICATIONS CARRIERS.

22 (A) COMPETITIVE AND NONCOMPETITIVE SERVICES.--INTEREXCHANGE  
23 SERVICES PROVIDED BY INTEREXCHANGE TELECOMMUNICATIONS CARRIERS  
24 SHALL CONTINUE TO BE COMPETITIVE SERVICES AFTER DECEMBER 31,  
25 2003, EXCEPT FOR THE PROVISION OF THE FOLLOWING INTEREXCHANGE  
26 SERVICES WHICH SHALL BE NONCOMPETITIVE SERVICES UNLESS DECLARED  
27 OTHERWISE BY THE COMMISSION PURSUANT TO SECTION 3016 (RELATING  
28 TO COMPETITIVE SERVICES):

29 (1) INTEREXCHANGE SERVICE TO AGGREGATOR TELEPHONES.

30 (2) OPTIONAL CALLING PLANS REQUIRED BY THE COMMISSION TO

1 BE OFFERED WHEN JUSTIFIED BY USAGE OVER AN INTEREXCHANGE  
2 ROUTE.

3 (B) RATE REGULATION.--

4 (1) THE COMMISSION MAY NOT FIX OR PRESCRIBE THE RATES,  
5 TOLLS, CHARGES, RATE STRUCTURES, RATE BASE, RATE OF RETURN,  
6 OPERATING MARGIN OR EARNINGS FOR INTEREXCHANGE COMPETITIVE  
7 SERVICES OR OTHERWISE REGULATE INTEREXCHANGE COMPETITIVE  
8 SERVICES EXCEPT AS SET FORTH IN THIS CHAPTER.

9 (2) AN INTEREXCHANGE TELECOMMUNICATIONS CARRIER MAY FILE  
10 AND MAINTAIN TARIFFS OR PRICE LISTS WITH THE COMMISSION FOR  
11 COMPETITIVE TELECOMMUNICATIONS SERVICES.

12 (3) NOTHING IN THIS CHAPTER SHALL BE CONSTRUED TO LIMIT  
13 THE AUTHORITY OF THE COMMISSION TO REGULATE THE PRIVACY OF  
14 INTEREXCHANGE SERVICE AND THE ORDERING, INSTALLATION,  
15 RESTORATION AND DISCONNECTION OF INTEREXCHANGE SERVICE TO  
16 CUSTOMERS.

17 (C) RECLASSIFICATION.--THE COMMISSION MAY RECLASSIFY  
18 TELECOMMUNICATIONS SERVICES PROVIDED BY AN INTEREXCHANGE  
19 TELECOMMUNICATIONS CARRIER AS NONCOMPETITIVE IF, AFTER NOTICE  
20 AND HEARING, IT DETERMINES, UPON APPLICATION OF THE CRITERIA SET  
21 FORTH IN THIS CHAPTER, THAT SUFFICIENT COMPETITION IS NO LONGER  
22 PRESENT.

23 (D) CONSTRUCTION.--NOTHING IN THIS CHAPTER SHALL BE  
24 CONSTRUED:

25 (1) TO LIMIT THE AUTHORITY OF THE COMMISSION TO RESOLVE  
26 COMPLAINTS REGARDING THE QUALITY OF INTEREXCHANGE  
27 TELECOMMUNICATIONS CARRIER SERVICE.

28 (2) TO LIMIT THE AUTHORITY OF THE COMMISSION TO  
29 DETERMINE WHETHER AN INTEREXCHANGE TELECOMMUNICATIONS CARRIER  
30 SHOULD BE EXTENDED THE PRIVILEGE OF OPERATING WITHIN THIS

1 COMMONWEALTH OR TO ORDER THE FILING OF SUCH REPORTS,  
2 DOCUMENTS AND INFORMATION AS MAY BE NECESSARY TO MONITOR THE  
3 MARKET FOR AND COMPETITIVENESS OF INTEREXCHANGE  
4 TELECOMMUNICATIONS SERVICES.

5 § 3019. ADDITIONAL POWERS AND DUTIES.

6 (A) GENERAL RULE.--THE COMMISSION MAY CERTIFY MORE THAN ONE  
7 TELECOMMUNICATIONS CARRIER TO PROVIDE LOCAL EXCHANGE  
8 TELECOMMUNICATIONS SERVICE IN A SPECIFIC GEOGRAPHIC LOCATION.  
9 THE CERTIFICATION SHALL BE GRANTED UPON A SHOWING THAT IT IS IN  
10 THE PUBLIC INTEREST AND THAT THE APPLICANT POSSESSES SUFFICIENT  
11 TECHNICAL, FINANCIAL AND MANAGERIAL RESOURCES.

12 (B) POWERS AND DUTIES RETAINED.--THE COMMISSION SHALL RETAIN  
13 THE FOLLOWING POWERS AND DUTIES RELATING TO THE REGULATION OF  
14 ALL TELECOMMUNICATIONS CARRIERS AND INTEREXCHANGE  
15 TELECOMMUNICATIONS CARRIERS:

16 (1) TO AUDIT THE ACCOUNTING AND REPORTING SYSTEMS OF  
17 TELECOMMUNICATIONS CARRIERS RELATING TO THEIR TRANSACTIONS  
18 WITH AFFILIATES PURSUANT TO CHAPTER 21 (RELATING TO RELATIONS  
19 WITH AFFILIATED INTERESTS). A TELECOMMUNICATIONS CARRIER  
20 SHALL FILE AFFILIATED INTEREST AND AFFILIATED TRANSACTION  
21 AGREEMENTS, UNLESS SUCH AGREEMENTS INVOLVE SERVICES DECLARED  
22 TO BE COMPETITIVE. THE FILINGS SHALL CONSTITUTE NOTICE TO THE  
23 COMMISSION ONLY AND SHALL NOT REQUIRE APPROVAL BY THE  
24 COMMISSION.

25 (2) TO REVIEW AND REVISE QUALITY OF SERVICE STANDARDS  
26 CONTAINED IN 52 PA. CODE (RELATING TO PUBLIC UTILITIES) THAT  
27 ADDRESS THE SAFETY, ADEQUACY, RELIABILITY AND PRIVACY OF  
28 TELECOMMUNICATIONS SERVICES AND THE ORDERING, INSTALLATION,  
29 SUSPENSION, TERMINATION AND RESTORATION OF ANY  
30 TELECOMMUNICATIONS SERVICE. ANY REVIEW OR REVISION SHALL TAKE

1 INTO CONSIDERATION THE EMERGENCE OF NEW INDUSTRY  
2 PARTICIPANTS, TECHNOLOGICAL ADVANCEMENTS, SERVICE STANDARDS  
3 AND CONSUMER DEMAND.

4 (3) SUBJECT TO THE PROVISIONS OF SECTION 3015(D)  
5 (RELATING TO ALTERNATIVE FORMS OF REGULATION), TO ESTABLISH  
6 SUCH ADDITIONAL REQUIREMENTS AS ARE CONSISTENT WITH THIS  
7 CHAPTER AS THE COMMISSION DETERMINES TO BE NECESSARY TO  
8 ENSURE THE PROTECTION OF CUSTOMERS.

9 (4) CONDITION THE SALE, MERGER OR ACQUISITION OF A LOCAL  
10 EXCHANGE TELECOMMUNICATIONS COMPANY OR ANY FACILITIES USED TO  
11 PROVIDE TELECOMMUNICATIONS SERVICES TO ENSURE THAT THERE IS  
12 NO REDUCTION IN THE ADVANCED SERVICE OR BROADBAND DEPLOYMENT  
13 OBLIGATIONS FOR THE SOLD, MERGED OR ACQUIRED PROPERTY.

14 (C) PRIVACY OF CUSTOMER INFORMATION.--

15 (1) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, A  
16 TELECOMMUNICATIONS CARRIER MAY NOT DISCLOSE TO ANY PERSON  
17 INFORMATION RELATING TO ANY CUSTOMER'S PATTERNS OF USE,  
18 EQUIPMENT AND NETWORK INFORMATION AND ANY ACCUMULATED RECORDS  
19 ABOUT CUSTOMERS.

20 (2) A TELECOMMUNICATIONS CARRIER MAY DISCLOSE SUCH  
21 INFORMATION:

22 (I) PURSUANT TO A COURT ORDER OR WHERE OTHERWISE  
23 REQUIRED BY LAW.

24 (II) TO THE CARRIER'S AFFILIATES, AGENTS,  
25 CONTRACTORS OR VENDORS AND OTHER TELECOMMUNICATIONS  
26 CARRIERS OR INTEREXCHANGE TELECOMMUNICATIONS CARRIERS, AS  
27 PERMITTED BY LAW.

28 (III) WHERE THE INFORMATION CONSISTS OF AGGREGATE  
29 DATA WHICH DOES NOT IDENTIFY INDIVIDUAL CUSTOMERS.

30 (D) UNREASONABLE PREFERENCES.--NOTHING IN THIS CHAPTER SHALL

1 BE CONSTRUED TO LIMIT THE AUTHORITY OF THE COMMISSION TO ENSURE  
2 THAT LOCAL EXCHANGE TELECOMMUNICATIONS COMPANIES DO NOT MAKE OR  
3 IMPOSE UNREASONABLE PREFERENCES, DISCRIMINATIONS OR  
4 CLASSIFICATIONS FOR PROTECTED SERVICES AND OTHER NONCOMPETITIVE  
5 SERVICES.

6 (E) LIFELINE SERVICE.--

7 (1) ALL ELIGIBLE TELECOMMUNICATIONS CARRIERS  
8 CERTIFICATED TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS  
9 SERVICE SHALL PROVIDE LIFELINE SERVICE TO ALL ELIGIBLE  
10 TELECOMMUNICATIONS CUSTOMERS WHO SUBSCRIBE TO SUCH SERVICE.

11 (2) ALL ELIGIBLE TELECOMMUNICATIONS CUSTOMERS WHO  
12 SUBSCRIBE TO LIFELINE SERVICE SHALL BE PERMITTED TO SUBSCRIBE  
13 TO UP TO TWO OTHER ELIGIBLE TELECOMMUNICATIONS CARRIER  
14 TELECOMMUNICATIONS SERVICES AT THE TARIFFED RATES FOR SUCH  
15 SERVICES.

16 (3) WHENEVER A PROSPECTIVE CUSTOMER SEEKS TO SUBSCRIBE  
17 TO LOCAL SERVICE FROM AN ELIGIBLE TELECOMMUNICATIONS CARRIER,  
18 THE CARRIER SHALL EXPLICITLY ADVISE THE CUSTOMER OF THE  
19 AVAILABILITY OF LIFELINE SERVICE AND SHALL MAKE REASONABLE  
20 EFFORTS WHERE APPROPRIATE TO DETERMINE WHETHER THE CUSTOMER  
21 QUALIFIES FOR SUCH SERVICE AND, IF SO, WHETHER THE CUSTOMER  
22 WISHES TO SUBSCRIBE TO THE SERVICE.

23 (4) ELIGIBLE TELECOMMUNICATIONS CARRIERS SHALL INFORM  
24 EXISTING CUSTOMERS OF THE AVAILABILITY OF LIFELINE SERVICE  
25 TWICE ANNUALLY BY BILL INSERT OR MESSAGE. THE NOTICE SHALL BE  
26 CONSPICUOUS AND SHALL PROVIDE APPROPRIATE ELIGIBILITY,  
27 BENEFITS AND CONTACT INFORMATION FOR CUSTOMERS WHO WISH TO  
28 LEARN OF THE LIFELINE SERVICE SUBSCRIPTION REQUIREMENTS.

29 (5) NO ELIGIBLE TELECOMMUNICATIONS CARRIER SHALL BE  
30 REQUIRED TO PROVIDE AFTER THE EFFECTIVE DATE OF THIS SECTION



1 ANY NEW LIFELINE SERVICE DISCOUNT THAT IS NOT FULLY  
2 SUBSIDIZED BY THE FEDERAL UNIVERSAL SERVICE FUND.

3 (F) CALLER IDENTIFICATION SERVICE.--

4 (1) A TELECOMMUNICATIONS CARRIER THAT OFFERS A CALLER  
5 IDENTIFICATION SERVICE THAT IDENTIFIES THE NAME AND TELEPHONE  
6 NUMBER OF A CALLER FOR AN ADDITIONAL FEE MAY NOT CHARGE A  
7 RESIDENTIAL CUSTOMER WITHIN THIS COMMONWEALTH MORE THAN \$3.50  
8 PER MONTH FOR BASIC CALLER IDENTIFICATION SERVICE THAT  
9 IDENTIFIES THE NAME AND THE TELEPHONE NUMBER OF A CALLER  
10 UNLESS:

11 (I) THE TELECOMMUNICATIONS CARRIER REQUESTS A WAIVER  
12 FROM THE MONTHLY DOLLAR LIMITATION SET FORTH IN THIS  
13 PARAGRAPH; AND

14 (II) THE COMMISSION DETERMINES THAT THE MONTHLY  
15 DOLLAR LIMITATION SET FORTH IN THIS PARAGRAPH IS NOT JUST  
16 AND REASONABLE IN RELATION TO THE ACTUAL COST TO THE  
17 TELECOMMUNICATIONS CARRIER FOR THE SERVICE.

18 (2) PARAGRAPH (1) SHALL NOT APPLY TO THE BUNDLING OR  
19 PRICING OF MULTIPLE SERVICES THAT INCLUDE CALLER  
20 IDENTIFICATION SERVICE IN A SINGLE OFFER.

21 (G) METHOD FOR FIXING RATES.--THE COMMISSION MAY NOT FIX OR  
22 PRESCRIBE THE RATES, TOLLS, CHARGES, RATE STRUCTURES, RATE BASE,  
23 RATE OF RETURN OR EARNINGS OF COMPETITIVE SERVICES OR OTHERWISE  
24 REGULATE COMPETITIVE SERVICES EXCEPT AS SET FORTH IN THIS  
25 CHAPTER.

26 (H) IMPLEMENTATION.--THE TERMS OF A LOCAL EXCHANGE  
27 TELECOMMUNICATIONS COMPANY'S ALTERNATIVE FORM OF REGULATION AND  
28 NETWORK MODERNIZATION PLANS SHALL GOVERN THE REGULATION OF THE  
29 LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY AND, CONSISTENT WITH  
30 THE PROVISIONS OF THIS CHAPTER, SHALL SUPERSEDE ANY CONFLICTING

1 PROVISIONS OF THIS TITLE OR OTHER LAWS OF THIS COMMONWEALTH AND  
2 SHALL SPECIFICALLY SUPERSEDE ALL PROVISIONS OF CHAPTER 13  
3 (RELATING TO RATES AND RATE MAKING) OTHER THAN SECTIONS 1301  
4 (RELATING TO RATES TO BE JUST AND REASONABLE), 1302 (RELATING TO  
5 TARIFFS; FILING AND INSPECTION), 1303 (RELATING TO ADHERENCE TO  
6 TARIFFS), 1304 (RELATING TO DISCRIMINATION IN RATES), 1305  
7 (RELATING TO ADVANCE PAYMENT OF RATES; INTEREST ON DEPOSITS),  
8 1309 (RELATING TO RATES FIXED ON COMPLAINT; INVESTIGATION OF  
9 COSTS OF PRODUCTION) AND 1312 (RELATING TO REFUNDS).

10 (I) PROTECTION OF EMPLOYEES.--

11 (1) NO TELECOMMUNICATIONS CARRIER MAY DISCHARGE,  
12 THREATEN, DISCRIMINATE OR RETALIATE AGAINST AN EMPLOYEE  
13 BECAUSE THE EMPLOYEE MADE A GOOD FAITH REPORT TO THE  
14 COMMISSION, THE OFFICE OF CONSUMER ADVOCATE OR THE OFFICE OF  
15 ATTORNEY GENERAL REGARDING WRONGDOING, WASTE OR A POTENTIAL  
16 VIOLATION OF THE COMMISSION'S ORDERS OR REGULATIONS OR OF  
17 THIS TITLE.

18 (2) A PERSON WHO ALLEGES A VIOLATION OF THIS SECTION  
19 MUST BRING A CIVIL ACTION IN A COURT OF COMPETENT  
20 JURISDICTION FOR APPROPRIATE INJUNCTIVE RELIEF OR DAMAGES  
21 WITHIN 180 DAYS AFTER THE OCCURRENCE OF THE ALLEGED  
22 VIOLATION.

23 § 3019.1. VOICE OVER INTERNET PROTOCOL REGULATION EXEMPTION.

24 VOICE OVER INTERNET PROTOCOL SERVICE SHALL NOT BE SUBJECT TO  
25 COMMISSION REGULATION, NOR SHALL ANY PROVIDER OF VOIP SERVICE BE  
26 A PUBLIC UTILITY SUBJECT TO COMMISSION REGULATION BY VIRTUE OF  
27 PROVIDING SUCH SERVICE. HOWEVER, THIS EXEMPTION FROM COMMISSION  
28 REGULATION SHALL NOT AFFECT THE RIGHTS AND OBLIGATIONS OF ANY  
29 ENTITY RELATED TO THE PAYMENT OF SWITCHED NETWORK ACCESS RATES  
30 OR OTHER INTERCARRIER COMPENSATION, IF ANY, RELATED TO VOIP

1 SERVICE.

2 § 3019.2. VOICE OVER INTERNET PROTOCOL TAX EXEMPTION.

3 THE PROVISION OF VOICE OVER INTERNET PROTOCOL SERVICES BY ANY  
4 PERSON OR CORPORATION AND THE PROVISION OF TELECOMMUNICATIONS  
5 SERVICES USED TO PROVIDE VOIP SERVICES SHALL BE EXEMPT FROM THE  
6 FOLLOWING TAXES AND FEES COMMENCING ON THE EFFECTIVE DATE OF  
7 THIS SECTION.

8 (1) NOTWITHSTANDING THE ACT OF DECEMBER 31, 1965  
9 (P.L.1257, NO.511), KNOWN AS THE LOCAL TAX ENABLING ACT, NO  
10 POLITICAL SUBDIVISION SHALL IMPOSE OR COLLECT ANY TAX, CHARGE  
11 OR OTHER FEE UPON THE PROVISION OF VOIP SERVICES.

12 (2) NOTWITHSTANDING ARTICLE XXXI-B OF THE ACT OF JULY  
13 28, 1953 (P.L.723, NO.230), KNOWN AS THE SECOND CLASS COUNTY  
14 CODE, AND THE ACT OF JUNE 5, 1991 (P.L.9, NO.6), KNOWN AS THE  
15 PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY ACT FOR  
16 CITIES OF THE FIRST CLASS, NO LOCAL SALES AND USE TAX SHALL  
17 BE IMPOSED ON ANY VOIP SERVICES.

18 § 3020. EXPIRATION OF CHAPTER.

19 (A) EXPIRATION.--EXCEPT AS PROVIDED IN SUBSECTION (B), THIS  
20 CHAPTER SHALL EXPIRE ON DECEMBER 31, 2015.

21 (B) EXCEPTION.--A LOCAL EXCHANGE TELECOMMUNICATIONS  
22 COMPANY'S ALTERNATIVE FORM OF REGULATION IN EFFECT ON DECEMBER  
23 31, 2015, AND THE VOIP EXEMPTION FROM COMMISSION REGULATION  
24 UNDER SECTION 3019.1 (RELATING TO VOICE OVER INTERNET PROTOCOL  
25 REGULATION EXEMPTION) SHALL NOT EXPIRE ON DECEMBER 31, 2015.

26 SECTION 3. THE PROVISIONS OF THIS ACT ARE SEVERABLE. IF ANY  
27 PROVISION OF THIS ACT OR ITS APPLICATION TO ANY PERSON OR  
28 CIRCUMSTANCE IS HELD INVALID, THE INVALIDITY SHALL NOT AFFECT  
29 OTHER PROVISIONS OR APPLICATIONS OF THIS ACT WHICH CAN BE GIVEN  
30 EFFECT WITHOUT THE INVALID PROVISION OR APPLICATION.

1 SECTION 4. SECTION 2471 OF THE ACT OF FEBRUARY 1, 1966 (1965  
2 P.L.1656, NO.581), KNOWN AS THE BOROUGH CODE, IS REPEALED TO THE  
3 EXTENT IT IS INCONSISTENT WITH THIS ACT.

4 SECTION 5. THIS ACT SHALL TAKE EFFECT JANUARY 1, 2004, OR  
5 IMMEDIATELY, WHICHEVER OCCURS LATER.